

Military Spending: Cost of Iraq War is but the Tip of the Iceberg

Since 1948, an accumulated defense budget of more than 20 trillion dollars has sunk the US Economy

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Theme: [Militarization and WMD](#)

James Sterngold in [CASUALTY OF WAR: THE U.S. ECONOMY](#) points out that over the next ten years “the cost of the war in Iraq could exceed \$700 billion.” Sterngold goes on to point out that the war “is harming U.S. taxpayers by saddling them with an enormous debt burden, since the war is being financed with deficit spending.”

James K. Galbraith in [War in Iraq Aims a Bullet at the Heart of the Economy](#) argues that, by stimulating the economy, “wars bring cheerful economic news at first.” But in the long run war brings inflation and other economic problems. For example, “Wars upset the trade balance. They gobble imports. And they tend to pull critical resources — scientific talent and key materials — away from exports. Our trade deficit is already staggering.”

It is exactly this long term effect that historian Paul Kennedy discusses in his 1987 classic *The Rise and Fall of the Great Powers*. Kennedy focuses on the relationship of economic to military power as it affects the rise and fall of powers from 1500 to the present. In all cases the rise of power is marked initially by exceptional economic strength but eventually the high cost of the military becomes too much of a burden, and the economy and power of the state weaken drastically. In the words of Kennedy:

“Once their productive capacity [is] enhanced, countries...normally find it easier to sustain the burdens of paying for large-scale armaments in peacetime and of maintaining and supplying large armies and fleets in wartime. It sounds crudely mercantilistic to express it this way, but wealth is usually needed to acquire and protect wealth. If, however, too large a portion of the state’s resources is diverted from wealth creation and allocated instead to military purposes, then that is likely to lead to a weakening of national power over the longer term.”

The United States emerged from the Second World War as the strongest economy in the world. Now, however, our debt-ridden economy is anything but strong. The national debt now stands at [7.86 trillion dollars](#). A different debt is even more telling of our economic weakness. [This year](#) “The US is importing \$700B more in goods and services than it sells abroad.”

Balance of trade deficits accurately measure the weakness in the US economy caused by excessive military expenditures. They show the long term losses caused by the investment

of mega-bucks, scientific and engineering talent, and worker's labor in the military rather than in making products that can be exported or used internally instead of imported products. Our accumulated international debt is now over 4 trillion dollars. This accumulated debt first turned negative in 1985. That was right in the middle of Ronald Reagan's string of budget busting defense appropriations.

How do these debt numbers compare to military spending. In fiscal 2005 the military budget, including the separate appropriation for the Iraq and Afghanistan wars, totals almost \$500 billion or about \$5,000 for each of the approximately 100 million US households.

In assessing the effect on the economy, the accumulated U.S. defense spending is more important than any one year's expenditure. Using defense budget numbers from the [US Office of Budget Management](#), we find that since the wind down of WWII spending in 1947, the accumulated defense budget is, in inflation adjusted dollars, more than \$20 trillion. That's an astounding \$200,000 for each US household, or, from a different perspective, that's \$3,200 for each of the 6.2 billion human beings living on this planet.

Some would argue that, despite their crippling effect on the economy, these enormous military expenditures have been necessary to defend our country and our way of life. But, anyone who argues that all this money has been spent for defense must explain why we spend so much more on the military than any other country in the world. Andrew J. Bacevich in *The New American Militarism* points out that "by some calculations, the United States spends more on defence than all other nations in the world together." Even during the cold war the US used highly inflated estimates of Soviet spending to justify excessive military spending on its so-called policy of containment.

And, anyone who argues that all this money has been spent for defense must explain, by what stretch of the imagination was the Vietnam War a "defensive" war.

And, anyone who argues that all this money has been spent for defense must explain why we have military bases in more than 120 countries. Chalmers Johnson in [America's Empire of Bases](#) explains the real agenda behind our history of huge military budgets "Due to government secrecy, our citizens are often ignorant of the fact that our garrisons encircle the planet. This vast network of American bases on every continent except Antarctica actually constitutes a new form of empire — an empire of bases with its own geography not likely to be taught in any high school geography class. Without grasping the dimensions of this globe-girdling Baseworld, one can't begin to understand the size and nature of our imperial aspirations ..."

And, anyone who argues that all this money has been spent for defense must explain why the collapse of the Soviet Union created a crisis in the defense department as they scrambled to find new ways to sell enormous military budgets to the American people. David Armstrong in [Dick Cheney's Song of America](#) writes "Before the Plan was about domination it was about money. It took shape in late 1989, when the Soviet threat was clearly on the decline, and, with it, public support for a large military establishment."

The simple fact is that no country could afford this much military spending. It has not only robbed us and all people of the world of needed healthcare, educational and social programs, but it is responsible for the impossibly large debts we in the US and our children are facing. Barring the apocalypse, it will soon reduce the US to a second rate power.

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