

The Economic Crisis and the Pentagon's Black Budget

Excerpt from, ``The Global Economic Crisis: The Great Depression of the XXI Century``

By [Tom Burghardt](#)

Global Research, February 28, 2011
28 February 2011

Region: [USA](#)

Theme: [Global Economy](#), [Intelligence](#)

The following is an excerpt of a chapter by Tom Burghardt from the new book by Global Research Publishers, [“The Global Economic Crisis: The Great Depression of the XXI Century.”](#)

[The Global Economic Crisis](#)



Michel Chossudovsky
Andrew G. Marshall (editors)

Help us get the word out, [“like” the book on Facebook, comment, and share with friends!](#)

As the global economic crisis deepens, ongoing efforts by the defense and security establishment to shore-up the empire's crumbling edifice consumes an ever-greater proportion of America's national budget, as much as 36 percent according to some estimates.

For all the sound and fury and promises of “change”, the Obama administration has been a boon for defense corporations. Defense appropriations for 2010 are of the order of 700 billion dollars.

Continuing along the dark path marked out by his predecessors in the Oval Office, President Barack Obama's Defense and Intelligence budget will greatly expand the reach of unaccountable agencies – and the corporate grifters whom they serve:

The Pentagon's ‘black’ operations, including the intelligence budgets nested inside it, are roughly equal in magnitude to the entire defense budgets of the UK, France or Japan, and ten percent of the total.[1]

Yes, you read that correctly. The “black” or secret portions of the budget are almost as large

as the entire expenditure of defense funds by America's allies, hardly slouches when it comes to

feeding their own militarist beasts. The U.S. Air Force alone intends to spend approximately twelve billion dollars on "black" programs in 2010 or 36 percent of its entire research and development budget. Aviation Week revealed:

Black-world procurement remains dominated by the single line item that used to be called 'Selected Activities,' resident in the USAF's 'other procurement' section. In 2010 this amounted to more than \$16 billion. In inflation-adjusted terms, that's 240 percent more than it was ten years ago.

On the operations side, secret spending has risen 8 per cent over last year, to just over \$15 billion – equivalent to more than a third of Air Force operating costs.

What does it all go for? In simple terms, we don't know. It is apparent that much if not all of the intelligence community is funded through the black budget: for example, an \$850 million USAF line item is clearly linked to reconnaissance satellites. But even so, the numbers are startling – and get more so year by year.[2]

While the American government refuses to disclose the CIA or NSA's budget "both the Agency and other non-military spooks do get money of their own. Some of this is spent on military or quasi-military activities." [3]

Toss in the world-wide deployment of CIA and U.S. Special Operations Command (USSOCOM) paramilitary operatives hidden among a welter of Special Access Programs (SAPs) classified above top secret and pretty soon we're talking real money!

Hiding the State's Dirty Laundry

One such program may have been Dick Cheney's "executive assassination ring" disclosed by investigative journalist Seymour Hersh during a "Great Conversations" event in March at the University of Minnesota.[4]

Indeed the latest scandal to rock Washington arrived shortly before Congress' summer break. It was revealed that the CIA in fact had stood up a world-wide assassination program, and then concealed its existence from the U.S. Congress and the American people for eight years, the result of a ukase issued by the former Vice President, Richard Cheney.

The Wall Street Journal reported that "a secret Central Intelligence Agency initiative terminated by Director Leon Panetta was an attempt to carry out a 2001 presidential authorization to capture or kill al Qaeda operatives, according to former intelligence officials familiar with the matter." National security journalist Siobhan Gorman wrote, "The precise nature of the highly classified effort isn't clear, and the CIA won't comment on its substance." [5]

The Washington Post however, revealed that the assassination plan was sanctioned at the highest levels of the U.S. government. Unnamed "intelligence officials" told the newspaper that "a secret document known as a 'presidential finding' was signed by President George W. Bush that same month, granting the agency broad authority to use deadly force against bin Laden as well as other senior members of al-Qaeda and other terrorist groups." [6]

According to Post reporter Joby Warrick, Bush's finding "imposed no geographical limitations on the agency's actions" and that the CIA was "not obliged to notify Congress of each operation envisaged under the directive." [7] This implies of course, that targets could be hit anywhere, including on the soil of a NATO ally or inside the United States itself.

One can assume that secret, off-the-books "black" funds sustained the agency's operation. Should pesky investigators from the Government Accountability Office (GAO) have the temerity to probe said "executive assassination ring" or other DoD "black" programs well, their Inspector Generals had better think again!

According to the whistleblowing security and intelligence web site Cryptome, a May 8, 2009 letter from Susan Ragland, GAO Director of Financial Management and Assurance to Diane Watson (D-CA), Chairwoman of the House Committee on Government Management, Organization and Procurement, lays down the law in no uncertain terms. Ms. Ragland wrote:

The IG Act authorizes the heads of six agencies to prohibit their respective IGs from carrying out or completing an audit or investigation, or from issuing any subpoena if the head determines that such prohibition is necessary to prevent either the disclosure of certain sensitive information or significant harm to certain national interests." [8]

Under statutory authority granted the Executive Branch by congressional grifters, Congress amended the IG Act "to establish the Department of Defense (DOD) IG and placed the IG under the authority, direction, and control of the Secretary of Defense with respect to audits or investigations or the issuance of subpoenas that require access to certain information." What information may be withheld from public scrutiny? Ms. Ragland informs us:

Specifically, the Secretary of Defense may prohibit the DOD IG from initiating, carrying out, or completing such audits or investigations or from issuing a subpoena if the Secretary determines that the prohibition is necessary to preserve the national security interests of the United States. [9]

This makes a mockery of effective oversight, indeed any oversight since an investigation can be quashed at the starting line by the department being investigated.

The same restrictions that apply to the Defense Department are similarly operative for the Departments of the Treasury, Homeland Security, Justice, the U.S. Postal Service, the Federal Reserve Board, and the Central Intelligence Agency. Talk about veritable mountains of dirty laundry - and "black" programs - that can be hidden here.

Superficially at least, some members of Congress are mounting a challenge to the Pentagon and the intelligence agencies' penchant for secrecy. The Federation of American Scientists reported that "the Senate version of the FY2010 intelligence authorization bill would require the President to disclose the aggregate amount requested for intelligence each year when the coming year's budget request is submitted to Congress." [10] According to Secrecy News, "currently, only the total appropriation for the National Intelligence Program is disclosed - not the request - and not before the end of the fiscal year in question." [11]

Under a new proposal that would update Executive Order 12958, the Obama administration plans to create a National Declassification Center within the National Archives and Records Administration for declassifying records. It is unclear whether the executive order would apply to various "black" budget items though it's doubtful.

The Washington Times reported in July the executive order “calls for limiting the government’s ultra-secret Special Access Programs (SAPs).”[12] In the future according to the report, these above top secret programs “can be created only by the secretaries of State, Defense, Energy and Homeland Security, and the Director of National Intelligence, or their main deputies, who must ‘keep the number of these programs at an absolute minimum’ and only to counter an ‘exceptional’ vulnerability or threat to specific information.”[13]

But as with other congressional moves towards greater oversight, their implementation, even with presidential support, are slim to none. Both initiatives are opposed by the CIA and the Pentagon. A list of comments submitted by the Pentagon states that the Department of Defense “‘is adamantly opposed to any changes that would significantly increase costs without associated gains and impair our wartime mission.’ The Pentagon also said it cannot meet the requirement to ‘immediately’ set up the declassification center because of personnel issues.”[14]

One would think that with plans afoot to expand the U.S. Army by some 22 000 soldiers as DoD Secretary Robert Gates announced in July 2009, such “personnel issues” would have been addressed. Apparently not.

Under the proposed “reform”, information subject to classification includes:

Military plans, weapons systems, or operations; foreign government information; intelligence activities, intelligence sources or methods, or cryptology; foreign relations or foreign activities of the United States, including confidential sources; scientific, technological, or economic matters relating to the national security; U.S. government programs for safeguarding nuclear materials or facilities; vulnerabilities or capabilities of systems, installations, infrastructures, projects, plans, or protection services relating to the national security, which includes defense against transnational terrorism; or the development, production, or use of weapons of mass destruction.[15]

But with gaping holes large enough to accommodate a B-1 bomber, the new era of transparency promised by the administration is several orders of magnitude less than what meets the eye.

Space-Based Spies

Among the items nestled within the dark arms of Pentagon war planners is a program called “Imagery Satellite Way Ahead,” a joint effort between “the Office of the Director of National Intelligence and the Department of Defense designed to revamp the nation’s constellation of spy satellites,” Congressional Quarterly reported.[16]

America’s fleet of military spy satellites flown by the secretive National Reconnaissance Office (NRO) are among the most opaque programs run by the Defense Department.[17]

According to the agency’s own description:

The NRO is a joint organization engaged in the research and development, acquisition, launch and operation of overhead reconnaissance systems necessary to meet the needs of the Intelligence Community and of the Department of Defense. The NRO conducts other activities as directed by the Secretary of Defense and/or the Director of National

Intelligence.[18]

In other words, the agency engages in clandestine satellite reconnaissance and its assets are amongst the most technologically sophisticated in the entire U.S. arsenal. Unsurprisingly, it is also one of the more expensive Pentagon satrapies to operate, one that benefits equally opaque defense and security corporations.

As investigative journalist Tim Shorrock revealed in his essential book *Spies for Hire*, some 95 percent of NRO employees are contractors working for defense and security firms. Indeed as Shorrock disclosed, “with an estimated \$8 billion annual budget, the largest in the IC, contractors control about \$7 billion worth of business at the NRO, giving the spy satellite industry the distinction of being the most privatized part of the Intelligence Community.”[19]

While the Office’s website may be short on information, some of the “other activities” alluded to by NRO spooks included the (apparently) now-defunct National Applications Office (NAO) under the nominal administrative control of the Department of Homeland Security.

The NAO would have coordinated how domestic law enforcement and “disaster relief” agencies such as FEMA exploit the imagery intelligence (IMINT) generated by spy satellites. Based on the available evidence, hard to come by since these programs are classified above top secret, for sheer technological power these military assets are truly terrifying – and toxic – for a democracy.[20]

Indeed, NAO’s intrusiveness was so severe that even Rep. Jane Harman (D-CA), the author of the despicable “Violent Radicalization and Homegrown Terrorism Prevention Act of 2007” (H.R. 1955) vowed to pull the plug. Chairwoman of the Homeland Security Committee’s Intelligence, Information Sharing and Terrorism Risk Assessment subcommittee, Harman introduced legislation in June that would shut down NAO immediately while prohibiting the agency from spending money on it or similar programs. When her bill was announced, Harman told *Federal Computer Week*:

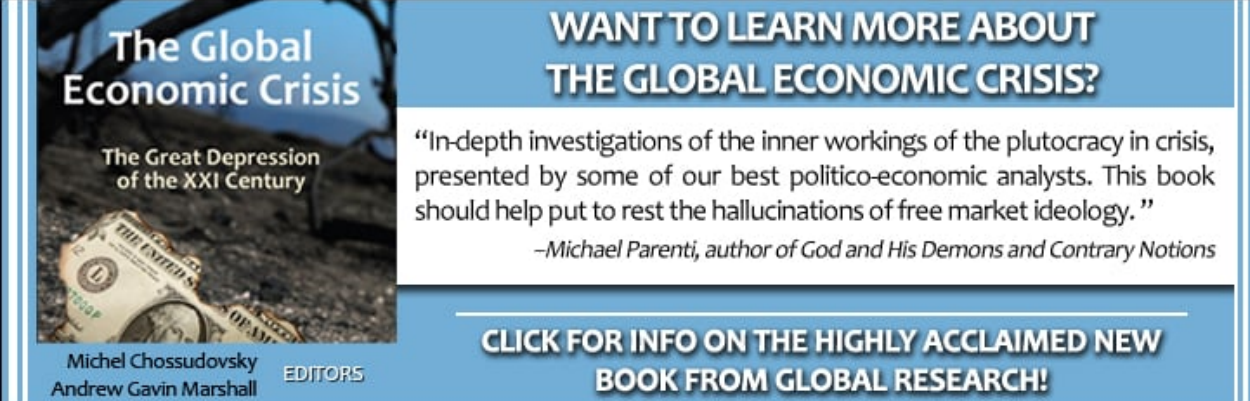
Imagine, for a moment, what it would be like if one of these satellites were directed on your neighborhood or home, a school or place of worship – and without an adequate legal framework or operating procedures in place for regulating their use. I daresay the reaction might be that Big Brother has finally arrived and the black helicopters can’t be far behind. Yet this is precisely what the Department of Homeland Security has done in standing up the benign-sounding National Applications Office, or NAO.[21]

DHS described the National Applications Office as “the executive agent to facilitate the use of intelligence community technological assets for civil, homeland security and law enforcement purposes.”[22] But as *Congressional Quarterly* revealed, the “classified plan” at DHS’s disposal “would include new, redesigned ‘electro-optical’ satellites, which collect data from across the electromagnetic spectrum, as well as the expanded use of commercial satellite imagery. Although the cost is secret, most estimates place it in the multibillion dollar range.”[23]

How NRO’s redesigned assets will be deployed has not been announced. The more pertinent question here however, is whether or not DHS, reputedly a civilian agency but one that answers to the militarized Office of the Director of National Intelligence (ODNI), would have positioned these assets to illegally spy on Americans. The available evidence suggests this

is precisely what they would have done.

DHS averred that “homeland security and law enforcement will also benefit from access to Intelligence Community capabilities.”[24] But what those alleged benefits were and what their impact on privacy would have been was never spelled out by the department. After all, if satellite assets are to be deployed during a major disaster such as a flood, hurricane or earthquake, an office with statutory authority to perform such missions already exists, the Civil Applications Office (CAC) administered by the Interior Department’s U.S. Geological Survey.



The Global Economic Crisis
The Great Depression of the XXI Century
Michel Chossudovsky
Andrew Gavin Marshall EDITORS

WANT TO LEARN MORE ABOUT THE GLOBAL ECONOMIC CRISIS?

“In-depth investigations of the inner workings of the plutocracy in crisis, presented by some of our best politico-economic analysts. This book should help put to rest the hallucinations of free market ideology.”
—Michael Parenti, author of *God and His Demons* and *Contrary Notions*

CLICK FOR INFO ON THE HIGHLY ACCLAIMED NEW BOOK FROM GLOBAL RESEARCH!

Unlike the civilian-administered CAC however, NAO would have been subject to the ODNI’s more stringent requirements for secrecy and all that entails. With Pentagon “black” programs already costing taxpayers tens of billions of dollars the question remains: if NAO were designated as the “principal interface” between American spooks, DHS securocrats and law enforcement, who would have overseen the office’s “more robust access to needed remote sensing information”?[25] Certainly not Congress.

Writing in *The Wall Street Journal*, investigative journalist Siobhan Gorman documented that despite a highly-critical June 2008 study by the Congressional Research Service (CRS), Congress partially-funded the program “in a little debated \$634 billion spending measure.”[26]

Indeed, a fully-operational NAO would have provided federal, state and local officials “with extensive access to spy-satellite imagery... to assist with emergency response and other domestic-security needs, such as identifying where ports or border areas are vulnerable to terrorism.”[27] In other words, NAO would have folded the CAC’s already existing disaster support operations into a secretive and opaque intelligence bureaucracy. As CRS investigators wrote:

Members of Congress and outside groups have raised concerns that using satellites for law enforcement purposes may infringe on the privacy and Fourth Amendment rights of U.S. persons. Other commentators have questioned whether the proposed surveillance will violate the Posse Comitatus Act or other restrictions on military involvement in civilian law enforcement, or would otherwise exceed the statutory mandates of the agencies involved.[28]

While it appears that DHS Secretary Janet Napolitano had killed that particular program, it is a near certainty it has been off-loaded to the Pentagon or more likely, outsourced to private contractors who will do some interfacing of their own, directly marketing new surveillance systems to local authorities. It now appears this is precisely what has happened. The giant

defense and security firm Raytheon has stood-up a new surveillance platform with a redesigned old technology, the blimp or airship, transforming it into an ubiquitous and silent sentinel, one that links commerce and repression.[29]

Newsweek revealed that “like most airships, it acted as an advertising vehicle.”[30] But what set this airship apart as it hovered above the crowd on Memorial Day weekend at this year’s Indy 500 race was that “hidden inside the 55-foot-long white balloon was a powerful surveillance camera adapted from the technology Raytheon provides the U.S. military.”[31]

Commented Lee Silvestre, Raytheon’s vice president for mission innovation at the firm’s Integrated Defense division: “The airship is great because it doesn’t have that Big Brother feel, or create feelings of invasiveness. But it’s still a really powerful security tool.”[32]

Known as RAID (Rapid Aerostat Initial Deployment) the system is kitted-out with “electro-optic infrared, radar, flash and acoustic detectors.”[33] According to the firm, some 300 have been deployed in Iraq and Afghanistan. As Newsweek reported and Raytheon confirmed, the same military version “demonstrated to officials concerned with security and spectator safety its value by providing situational awareness in what is billed as one of the largest sporting events of the year.”[34]

Along with a suite of sensors and high resolution video cameras, RAID’s digitized mapping tools are similar to those developed for the National Geospatial-Intelligence Agency (NGA). In tandem with a preprogrammed mapping grid of the target location, the system can scan a wide area and relay video clips to a centralized command center.

Captured data known as GEOINT, or geospatial intelligence, is “tailored for customer-specific solutions” according to NGA.[35] That agency along with its “sister” organization, the National Reconnaissance Office (NRO), the super-secret agency that develops and flies America’s fleet of spy satellites, are also among the most heavily-outsourced departments in the so-called Intelligence Community.

Nathan Kennedy, Raytheon’s project manager for the spy blimp told Newsweek “large municipalities could find many uses for this [technology] once we figure out how to get it in their hands.”[36]

While the company refused to divulge what the intrusive system might actually cost cash-strapped localities drastically cutting social services for their citizens as America morphs into a failed state, cities “without a Pentagon-size police budget” could look at the airship’s “potential to display ads [that] may assist with financing.” The firm claims that local authorities fearful of succumbing to what I’d call a dreaded surveillance airship gap, could install “a built-in LED screen to attract sponsors, generate revenue and defer operating costs.”[37]

Raytheon’s slimmed-down spy blimp is a spin-off however, from a much larger and highly-secretive Pentagon project. Among other high-tech, privacy-killing tools currently under development is the Defense Advanced Research Project Agency’s (DARPA) Integrated Sensor Is Structure (ISIS) program. As conceived by the agency, ISIS will be a high-altitude autonomous airship built for the U.S. Air Force that can operate at seventy thousand feet and stay aloft for a decade.

Washington Technology reported that Lockheed Martin won a 400 million dollar deal to

design the system. “Under the contract” the publication revealed, “Lockheed Martin will provide systems integration services, and Raytheon Co. will furnish a high-energy, low-power density radar, Lockheed Martin officials said.”[38] Operating six miles above the earth’s surface, well out of range of surface-to-air missiles, the airship will be some 450 feet long, powered by hydrogen fuel cells and packed with electronic surveillance gear and radar currently being field-tested by Raytheon.

While serious civil liberties’ issues inherent to such programs have been swept under the proverbial carpet, huge funding outlays by Congress for Pentagon’s “black” budget operations demonstrate the hollowness of President Obama’s “change” mantra. Like much else in Washington, administration rhetoric is (if you’ll pardon the pun) so much hot-air meant to placate the rubes.

Notes

1. Bill Sweetman, “Black Budget Blows by \$50 Billion Mark”, Aviation Week, 7 May 2009.
2. Ibid.
3. Lewis Page, “U.S. Forces ‘Black’ Budget = 2nd Biggest Military on Earth”, The Register, 8 May 2009.
4. Eric Black, “Investigative Reporter Seymour Hersh Describes ‘Executive Assassination Ring’”, MinnPost.com, 11 March 2009.
5. Siobhan Gorman, “CIA Had Secret Al Qaeda Plan”, The Wall Street Journal, 13 July 2009.
6. Joby Warrick, “CIA Assassination Program Was Nearing New Phase”, The Washington Post, 16 July 2009.
7. Ibid.
8. Susan Ragland, “Subject: Statutory Authorities to Prohibit Inspector General Activities”, United States Government Accountability Office, <http://cryptome.org/0001/gao-09-660r.htm>, 8 May 2009.
9. Ibid., emphasis added.
10. Steven Aftergood, “Senate Bill Would Disclose Intel Budget Request”, Secrecy News, http://www.fas.org/blog/secrecy/2009/07/intel_budget_request.html, 23 July 2009.
11. Ibid.
12. Bill Gertz, “Inside the Ring”, The Washington Times, <http://www.washingtontimes.com/news/2009/jul/23/inside-the-ring-786401> 26/, 23 July 2009.
13. Ibid.
14. Ibid.
15. Ibid.
16. Tim Starks, “Obama Budget Fiscal 2010”, Congressional Quarterly, 7 May 2009.

17. Tom Burghardt, "Homeland Security's Space-Based Spies", Antifascist Calling, 4 June 2008. See also Tom Burghardt, "Homeland Security's Space-Based Spying Goes Live", Antifascist Calling, 4 October 2008. Tom Burghardt, "Space-Based Domestic Spying: Kicking Civil Liberties to the Curb", Antifascist Calling, 9 November 2008. Tom Burghardt, "Look! Up in the Sky! It's a Bird... It's a Plane... It's a Raytheon Spy Blimp!", Antifascist Calling, 24 June 2009.
18. National Reconnaissance Office, "Welcome to the NRO", <http://www.nro.gov/>, no date.
19. Tim Shorrock, *Spies For Hire: The Secret World of Intelligence Outsourcing*, New York, Simon & Schuster, 2008, p. 16.
20. Tom Burghardt, "Homeland Security's Space-Based Spying Goes Live", op. cit.
21. Ben Bain, "Bills Would Kill DHS Satellite Surveillance Office", Federal Computer Week, <http://fcw.com/articles/2009/06/05/web-nao-harman-legislation.aspx>, 5 June 2009.
22. U.S. Department of Homeland Security, "National Applications Office", 14 October 2008.
23. Congressional Quarterly, op. cit.
24. Department of Homeland Security, "Fact Sheet: National Applications Office", Department of Homeland Security, http://www.dhs.gov/xnews/releases/pr_1187188414685.shtm, 15 August 2007.
25. Ibid.
26. Siobhan Gorman, "Satellite-Surveillance Program to Begin Despite Privacy Concerns," The Wall Street Journal, 1 October 2008.
27. Ibid.
28. Richard A. Best and Jennifer K. Elsea, "Satellite Surveillance: Domestic Issues", Congressional Research Service, <http://www.fas.org/sgp/crs/intel/RL34421.pdf>, 27 June 2008.
29. Tom Burghardt, "Look! Up in the Sky! It's a Bird... It's a Plane... It's a Raytheon Spy Blimp!", 24 June 2009, op. cit.
30. Kurt Soller, "Are You Being Watched?", Newsweek, <http://www.newsweek.com/id/201697>, 11 June 2009.
31. Ibid.
32. Ibid.
33. Raytheon, "Raytheon's Lighter-Than-Air Systems Provide ISR", Press Release, 17 June 2009.
34. Ibid.
35. National Geospatial-Intelligence Agency, <https://www1.nga.mil/Pages/Default.aspx>.

36. Kurt Soller, "Are You Being Watched?", Newsweek, <http://www.newsweek.com/id/201697>, 11 June 2009.
37. William Welsh, "Lockheed Team to Develop Surveillance Radar", Washington Technology, 29 April 2009.
38. Ibid.

The original source of this article is Global Research
Copyright © [Tom Burghardt](#), Global Research, 2011

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Tom Burghardt](#)
<http://antifascist-calling.blogspot.com/>

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca
www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca