

Pax Americana II: Cost of Militarism

By SEYMOUR MELMAN

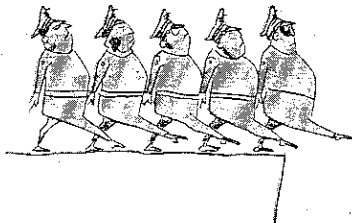
The policy-makers of the Kennedy-Johnson-Nixon era proclaimed that the United States is rich enough to have armed forces for several wars at once, even while making great societies; productive enough to have more guns and more butter. To this day, former government officials like W. W. Rostow affirm this patently false proposition.

Since 1945, the United States spent \$1,100 billion for military purposes, of which the war in Vietnam accounts for about \$150 billion. \$1,100 billion exceeds the value of all business and residential structures in the United States. Each year, of course, the payments for military work were counted as part of the nation's Gross National Product, while their role in eroding the value of the dollar was overlooked.

Economists have misled themselves and the nation by relying on a functionally undifferentiated measure of economic growth. Thus the rise of G.N.P. from \$503 billion in 1960 to \$932 billion in 1969 does not distinguish between growth that is economically productive and the growth that is parasitic. Productive growth includes goods and services that form part of the level of living, or that can be used for further production. By this economic-functional criterion, apart from other yardsticks, goods and services that are not part of the level of living or cannot be used for further production are economically parasitic.

Having given priority in public budgets and technical talent to \$1,100 billion of parasitic economic growth, this nation is now reaping a whirlwind of economic and human depletion. The \$ per cent of G.N.P. lately used for the military has included more than 50 per cent of the nation's technical researchers.

By July, 1969, while President Nixon was hailing the lunar landing as "the greatest week since the Creation," New York City was suffering a combined breakdown in central power supply, the telephone system and railroad transportation. Reliable power, communication and transportation are the key elements of the infra-structure required for an industrial society. Accordingly, the largest city of the richest nation on earth displayed the main aspects of an underdeveloped economy. America's industrial technologies, the basis of this nation's economic competence and long a source of real pride, are now the scene of widespread deterioration. This nation's machine tool stock is the oldest of any indus-



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trial country's. (European dealers report that machines dating from 1940 have one remaining market—the United States.) Important industries have become technologically and organizationally depleted, and incompetent to hold domestic, let alone international, markets. These include: apartment house construction, ship-building, steel and many of the machinery producing industries. The railroads resemble Toonerville Trolleys. Many military-industry engineers now have a trained incapacity for civilian work.

The health services of the nation show obviously poor performance. The ratio of physicians to population has been declining since 1950. The nation needs an average of three new medical schools per state by 1975, and is due to get a total of 13. The United States ranks 18th among the nations in infant mortality rate. By 1967, 40.6 per cent of the young men examined by Selective Service were unacceptable because of physical and educational defects.

If the Keynesians were right and military spending stimulates the economy generally, then how can one explain that a trillion dollar G.N.P. economy short-changes 40 per cent of its young people in health care and education

and leaves the civilian industrial system to deteriorate?

By fiscal year 1971, the Federal budget used 64.8 per cent of tax dollars to pay for wars, past and present. The Administration claimed that it was using 41 per cent for "human resources" and 36 per cent for the military. Senator Mark Hatfield has shown that this misleading portrait was made by lumping together Social Security payments, veterans' benefits and the costs of the Selective Service system under "human resources" and counting Social Security trust funds as though they were discretionary funds.

The accompanying table on military spending and national productivity explains why Germany and Japan have forged ahead in civilian machinery and electronics compared with the United States. The architects of Pax Americana have preferred to sustain the power of the Pentagon despite the corrosive effects of the military extravagance on the American economy and society.

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Military Spending and National Productivity

	Military Spending, Percent of G.N.P.	Percent Growth Rate in Output, Per Employee
	1966	1950-1965
United States	8.5	2.4
West Germany	4.1	5.3
Japan	1.0	7.7