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US imperial triangle and military spending. *Monthly Review*.

The United States is unique today among major states in the degree of its reliance on military spending, and its determination to stand astride the world, militarily as well as economically. No other country in the post–Second World War world has been so globally destructive or inflicted so many war fatalities. Since 2001, acknowledged U.S. national defense spending has increased by almost 60 percent in real dollar terms to a level in 2007 of \$553 billion. This is higher than at any point since the Second World War (though lower than previous decades as a percentage of GDP). Based on such official figures, the United States is reported by the Stockholm International Peace Research Institute (SIPRI) as accounting for 45 percent of world military expenditures. Yet, so gargantuan and labyrinthine are U.S. military expenditures that the above grossly understates their true magnitude, which, as we shall see below, reached \$1 trillion in 2007.¹

Externally, these are necessary expenditures of world empire. Internally, they represent, as Michal Kalecki was the first to suggest, an imperial triangle of state-financed military production, media propaganda, and real/imagined economic-employment effects that has become a deeply entrenched, and self-perpetuating feature of the U.S. social order.²

Many analysts today view the present growth of U.S. militarism and imperialism as largely divorced from the earlier Cold War history of the United States, which was commonly seen as a response to the threat represented by the Soviet Union. Placed against this backdrop the current turn to war and war preparation appears to numerous commentators to lack a distinct target, despite concerns about global terrorism, and to be mainly the product of irrational hubris on the part of U.S. leaders. Even as insightful a left historian as Eric Hobsbawm has recently adopted this general perspective. Thus in his 2008 book *On Empire* Hobsbawm writes:

Frankly, I can't make sense of what has happened in the United States since 9/11 that enabled a group of political crazies to realize long-held plans for an unaccompanied solo performance of world supremacy....Today a radical right-wing regime seeks to mobilize "true Americans" against some evil outside force and against a world that does not recognize the uniqueness, the superiority, the manifest destiny of America.... In effect, the most obvious danger of war today arises from the global ambitions of an uncontrollable and apparently irrational government in Washington....To give America the best chance of learning to return from megalomania to rational foreign policy is the most immediate and urgent task of international politics.³

Such a view, which sees the United States as under the influence of a new irrationalism introduced by George W. Bush and a cabal of neoconservative "political crazies," and consequently calls for a return from "megalomania to rational foreign policy," downplays the larger historical and structural forces at work that connect the Cold War and post–Cold War imperial eras. In contrast, a more realistic perspective, we believe, can be obtained by looking at the origins of the U.S. "military ascendancy" (as C. Wright Mills termed it) in the early Cold War years and the centrality this has assumed in the constitution of the U.S. empire and economy up to the present.⁴

The Permanent War Economy and Military Keynesianism

In January 1944 Charles E. Wilson, president of General Electric and executive vice chairman of the War Production Board, delivered a speech to the Army Ordnance Association advocating a permanent war economy. According to the plan Wilson proposed on that occasion, every major corporation should have a "liaison" representative with the military, who would be given a commission as a colonel in the Reserve. This would form the basis of a program, to be initiated by the president as commander in chief in cooperation with the War and Navy departments, designed to bind corporations and military together into a single unified armed forces-industrial complex. "What is more natural and logical," he asked, "than that we should henceforth mount our national

policy upon the solid fact of an industrial capacity for war, and a research capacity for war that is already 'in being'? It seems to me anything less is foolhardy." Wilson went on to indicate that in this plan the part to be played by Congress was restricted to voting for the needed funds. Further, it was essential that industry be allowed to play its central role in this new warfare state without being hindered politically "or thrown to the fanatical isolationist fringe [and] tagged with a 'merchants-of-death' label."

In calling, even before the Second World War had come to a close, for a "continuing program of industrial preparedness," for war, Charles E. Wilson (sometimes referred to as "General Electric Wilson" to distinguish him from "General Motors Wilson"—Charles Erwin Wilson, president of General Motors and Eisenhower's secretary of defense) was articulating a view that was to characterize the U.S. oligarchy as a whole during the years immediately following the Second World War. In earlier eras it had been assumed that there was an economic "guns and butter" trade-off, and that military spending had to occur at the expense of other sectors of the economy. However, one of the lessons of the economic expansion in Nazi Germany, followed by the experience of the United States itself in arming for the Second World War, was that big increases in military spending could act as huge stimulants to the economy. In just six years under the influence of the Second World War the U.S. economy expanded by 70 percent, finally recovering from the Great Depression. The early Cold War era thus saw the emergence of what later came to be known as "military Keynesianism": the view that by promoting effective demand and supporting monopoly profits military spending could help place a floor under U.S. capitalism.⁵

John Maynard Keynes, in his landmark *General Theory of Employment, Interest and Money*, published in 1936, in the midst of the Depression, argued that the answer to economic stagnation was to promote effective demand through government spending. The bastardized Keynesianism that came to be known as "military Keynesianism" was the view that this was best effected with the least negative consequences for big business by focusing on military spending. As Joan Robinson, one of Keynes's younger colleagues, critically explained in her iconoclastic lecture, "The Second Crisis of Economic Theory," before the American Economic Association on December 27, 1971:

The most convenient thing for a government to spend on is armaments. The military-industrial complex [thus] took charge. I do not think it plausible to suppose that the cold war and several hot wars were invented just to solve the employment problem. But certainly they have had that effect. The system had the support not only of the corporations who make profits under it and the workers who got jobs, but also of the economists who advocated government loan-expenditure as a prophylactic against stagnation. Whatever were the deeper forces leading to the hypertrophy of military power *after* the world war was over, certainly they could not have had such free play if the doctrine of sound finance had still been respected. It was the so-called Keynesians who persuaded successive Presidents that there is no harm in a budget deficit and left the military-industrial complex to take advantage of it. So it has come about that Keynes' pleasant daydream was turned into a nightmare of terror.⁶

The first to theorize this tendency toward military Keynesianism under monopoly capitalism, was the Polish economist Michal Kalecki (most famous, as Robinson pointed out in the above-mentioned lecture, for having discovered the essentials of Keynes's *General Theory* before Keynes himself). In a 1943 essay on "The Political Aspects of Full Employment" and in subsequent essays, Kalecki argued that monopoly capital had a deep aversion to increased civilian government spending due to its intrusion on the commodity market and the sphere of private profit, but that this did not apply in the same way to military spending, which was seen by the vested interests as adding to rather than crowding out profits. If absorption of the massive economic surplus of large corporate capital through increased government spending was the key to accumulation in post-Second World War U.S. capitalism, this was dependent principally on military expenditures, or what Kalecki in 1956 labeled "the armament-imperialist complex." This resulted in a "high degree of utilization" of productive capacity and "counteracted the disrupting influence of the increase in the relative share of accumulation of big business in the national product."⁷

For Kalecki this new military-supported regime of accumulation that came to characterize U.S. monopoly capital by the mid-1950s established a strong political-economic foundation for its own rule "based on the following [imperial] triangle":

1. Imperialism contributes to a relatively high level of employment through expenditures on armaments and ancillary purposes and through the maintenance of a large body of armed forces and government employees.
2. The mass communications media, working under the auspices of the ruling class, emits propaganda aimed at securing the support of the population for this armament-imperialist set-up.
3. The high level of employment and the standard of living increased considerably as compared with before the war (as a result of the rise in the productivity of labor), and this facilitated the absorption of this propaganda to the broad masses of the population.

Mass communication occupied a central place in this imperial triangle. An essential part of Kalecki's argument was that "the mass communication media, such as the daily press, radio, and television in the United States are largely under the control of the ruling class." As none other than Charles E. (General Electric) Wilson, then defense mobilization director, put it in a speech to the American Newspaper Publishers Association on April 26, 1951, the job of the media was to bring "public opinion, *as marshaled by the press*" to the support of the permanent war effort (italics added).⁸

The result by the mid-1950s was a fairly stable militarized economy, in which intertwined imperial, political-economic, and communication factors all served to reinforce the new military-imperial order. Kalecki observed that U.S. trade unions were "part and parcel of the armament-imperialist set-up. Workers in the United States are not duller and trade union leaders are not more reactionary 'by nature' than in other capitalist countries. Rather, the political situation in the United States, is simply, in accordance with the precepts of historical materialism, the unavoidable consequence of economic developments and of characteristics of the superstructure of monopoly capitalism in its advanced stage." All of this pointed to what Harry Magdoff was to call the essential "one-ness of national security and business interests" that came to characterize the U.S. political economy and empire.⁹

Many of Kalecki's ideas were developed further by Paul Baran and Paul Sweezy in 1966 in *Monopoly Capital*. Baran and Sweezy argued there were at least five political-economic-imperial ends propelling the U.S. oligarchy in the 1950s and '60s toward the creation of a massive military establishment: (1) defending U.S. global hegemony and the empire of capital against external threats in the form of a wave of revolutions erupting throughout the world, simplistically viewed in terms of a monolithic Communist threat centered in the Soviet Union; (2) creating an internationally "secure" platform for U.S. corporations to expand and monopolize economic opportunities abroad; (3) forming a government-sponsored research and development sector that would be dominated by big business; (4) generating a more complacent population at home, made less recalcitrant under the nationalistic influence of perpetual war and war preparation; and (5) soaking up the nation's vast surplus productive capacity, thus helping to stave off economic stagnation, through the promotion of high-profit, low-risk (to business) military spending. The combined result of such political-economic-imperial factors was the creation of the largest, most deeply-entrenched and persistent, "peacetime" war machine that the world had ever seen.¹⁰

Like Kalecki, Baran and Sweezy argued that the U.S. oligarchy kept a "tight rein on civilian [government] spending," which, they suggested, "had about reached its outer limits" as a percentage of national income "by 1939," but was nonetheless "open-handed with the military." Government-pump priming operations therefore occurred largely through spending on wars and war preparations in the service of empire. The Pentagon naturally made sure that bases and armaments industries were spread around the United States and that numerous corporations profited from military spending, thus maximizing congressional support due to the effects on states and districts.¹¹

For members of the U.S. oligarchy and their hangers-on, the virtuous circle of mutually reinforcing military spending and economic growth represented by military Keynesianism was something to be celebrated rather than held up to criticism. Harvard economist Sumner Slichter explained to a banker's convention in October 1949, that as long as Cold War spending persisted a

severe economic depression was “difficult to conceive.” The Cold War “increases the demand for goods, helps sustain a high level of employment, accelerates technological progress and thus helps the country to raise its standard of living....So we may thank the Russians for helping make capitalism in the United States work better than ever.”

Similarly, *U.S. News and World Report* told its readers on May 14, 1950 (a month before the outbreak of the Korean War):

Government planners figure they have found the magic formula for almost endless good times. They are now beginning to wonder if there may not be something to perpetual motion after all. *Cold war* is the catalyst. Cold war is an automatic pump primer. Turn a spigot, and the public clamors for more arms spending. Turn another, the clamor ceases. Truman confidence, cockiness, is based on this “Truman formula.” *Truman era of good times*, President is told, can run much beyond 1952. Cold war demands, if fully exploited, are almost limitless.

In the same vein, *U.S. News and World Report* was to declare in 1954: “What H-bomb means to business. A long period of big orders. In the years ahead, the effects of the new bomb will keep on increasing. As one appraiser puts it: ‘The H-bomb has blown depression-thinking out the window.’” In 1959 David Lawrence, editor of *U.S. News and World Report*, indicated that he viewed with equanimity the suggestion that the United States “might conceivably strike first in what has become known as ‘preemptive’ rather than ‘preventive’ war.”

Henry Luce, the media mogul at the head of the *Time-Life* empire, who coined the term “the American Century,” observed in November 1957 in *Fortune* that the United States “can stand the load of any defense effort required to hold the power of Soviet Russia in check. It cannot, however, indefinitely stand the erosion of creeping socialism and the ceaseless extension of government activities into additional economic fields” beyond the military. This was directly in line with Kalecki’s and Baran and Sweezy’s contention that the system was tight-fisted where civilian spending was concerned and open-handed with the military.

Remarking on the success of military Keynesianism in promoting economic prosperity, the influential Harvard economist Seymour Harris wrote in the *The New York Times Magazine* in 1959: “If we treat the years from 1941 to the present as a whole, we find again that a period of record prosperity coincided with a period of heavy military outlay....About one dollar out of seven went for war and preparation for war, and this expenditure was undoubtedly a stimulus to the economy.”¹²

A military Keynesian view was close to the heart of the major U.S. planning document of the Cold War, NSC-68, issued in April 1950 shortly before the Korean War by the U.S. National Security Council and signed by President Truman in September 1950, but not declassified until 1975. Drafted by Paul Nitze, then head of the policy review group in the state department, the main intent of NSC-68 was to construct a rollback strategy against the Soviet Union. It called for a vast increase in military spending above its already high levels, and considered the possibility that “in an emergency the United States could devote upward of 50 percent of its gross national product” to the military effort as in the Second World War. “From the point of view of the economy as a whole,” NSC-68 declared,

the program [of military expansion] might not result in a real decrease in the standard of living, for the economic effects of the program might be to increase the gross national product by more than the amount being absorbed for additional military and foreign assistance purposes. One of the most significant lessons of our World War II experience was that the American economy, when it operates at a level approaching full efficiency [full capacity], can provide enormous resources for purposes other than civilian consumption while simultaneously providing a high standard of living. After allowing for price changes, personal consumption expenditures rose by almost one-fifth between 1939 and 1944, even though the economy had in the meantime increased the amount of resources going into Government use by \$60[-]\$65 billion (in 1939 prices).¹³

U.S. militarism was therefore motivated first and foremost by a global geopolitical struggle, but was at the same time seen as essentially costless (even beneficial) to the U.S. economy, which could have more guns and more butter too. It was thus viewed as a win-win solution for the U.S. empire and economy.

By the time that President Eisenhower (who played a role in this military expansion) raised concerns about what he dubbed the “military-industrial complex” in his farewell address of January 17, 1961, it was already so firmly established as to constitute the permanent war economy envisioned by Charles E. (General Electric) Wilson. As Eisenhower’s secretary of defense, Charles Erwin (General Motors) Wilson (best known for having created a major flap by saying that “what is good for General Motors is good for the country”), observed in 1957, the military set-up was then so built into the economy as to make it virtually irreversible: “so many Americans are getting a vested interest in it: Properties, business, jobs, employment, votes, opportunities for promotion and advancement, bigger salaries for scientists and all that....If you try to change suddenly you get into trouble....If you shut the whole business off now, you will have the state of California in trouble because such a big percentage of the aircraft industry is in California.”¹⁴

Hence, the concern that Eisenhower voiced in his farewell address about a “permanent armaments industry of vast proportions” and the fact that “we annually spend on military security alone more than the net income of all United States corporations”¹⁵ was a belated recognition of what had already become an established fact. The need for the gargantuan military-industrial complex that the United States developed in these years was not so much for purposes of economic expansion directly (though military Keynesianism pointed to its stimulating effects) but due to the reality, as Baran and Sweezy emphasized, that the capitalist world order and U.S. hegemony could only be maintained “a while longer,” in the face of rising insurgencies throughout the world, through “increasingly direct and massive intervention by American armed forces.”¹⁶ This entire built-in military system could not be relinquished without relinquishing empire. Indeed, the chief importance of U.S. military power from the early Cold War years to today has been that it is used—either directly, resulting in millions of deaths (counting those who died in the Korean War, the Vietnam War, the Gulf War, the Kosovo War, the Afghanistan and Iraq Wars, as well as dozens of lesser conflicts), or indirectly, as a means to intimidate.¹⁷

The most important left analysts of these developments in the 1950s and '60s, Kalecki, Baran, Sweezy, and Magdoff, insisted—going against the dominant U.S. Cold War ideology—that the cause of U.S. military spending was capitalist empire, rather than the need to contain the Soviet threat. The benefits of military spending to monopoly capital, moreover, guaranteed its continuation, barring a major social upheaval. The decade and a half since the fall of the Soviet Union has confirmed the accuracy of this assessment. The euphoria of the “peace dividend” following the end of the Cold War evaporated almost immediately in the face of new imperial requirements. This was a moment of truth for U.S. capitalism, demonstrating how deeply entrenched were its military-imperial interests. By the end of the 1990s U.S. military spending, which had been falling, was on its way up again.

Today, in what has been called a “unipolar world,” U.S. military spending for purposes of empire is rapidly expanding—to the point that it rivals that of the entire rest of the world put together. When it is recognized that most of the other top ten military-spending nations are U.S. allies or junior partners, it makes the U.S. military ascendancy even more imposing. Only the reality of global empire (and the effects of this on the internal body politic) can explain such an overwhelming destructive power. As *Atlantic Monthly* correspondent Robert Kaplan proudly proclaimed in 2005: “By the turn of the twenty-first century the United States military had already appropriated the entire earth, and was ready to flood the most obscure areas of it with troops at a moment’s notice.”¹⁸

The Labyrinth of U.S. Military Spending

The most direct way of measuring the extent of the U.S. commitment to the military-imperialist complex over the post–Second World War period is through an examination of U.S. military

spending itself. This is not, however, easily accomplished. U.S. military expenditure is a labyrinth presenting numerous dead ends. What is treated by almost all analysts as a reliable data source for such expenditures is the Office of Management and Budget (OMB) *Historical Tables*, generated along with the federal budget. In the *Historical Tables for Fiscal Year 2009*, Department of Defense spending (OMB Table 3.2, line 051) is listed as \$529.8 billion for 2007; while adding in atomic energy defense activities and defense-related activities brings total national defense (line 050) to \$552.6 billion. This number can be considered acknowledged military spending, since it is what is usually reported as U.S. national defense spending and used (with only small differences) by NATO and SIPRI.¹⁹

However, there is another, fuller accounting of U.S. national defense spending included in the U.S. National Income and Product Accounts (NIPA), a source which constitutes the final word on the totals for the U.S. economy as a whole (see table I). The National Income and Product Accounts give \$662 billion as the total for national defense spending for 2007, or *over \$100 billion more* than the OMB figures. Much of the difference is explained by the fact that the NIPA numbers for national defense, as opposed to the U.S. budget figures, take account of the following: government consumption of fixed capital, cash payments to amortize the underfunded liability for military and civilian retirement benefits (which in the budget accounting are included elsewhere as “intergovernmental transactions”), and expenditures recorded on a delivery (accrual) rather than cash basis (as in the budget).²¹

The NIPA figures thus capture far more accurately than the OMB data the economic resources directed to the military, emphasizing “full cost budgeting.” As economist and peace researcher Jurgen Brauer observes: “For the United States, the NIPA numbers are the most comprehensive and conceptually complete national defense outlays data we have, since they are expressly based on economists’ national income accounting framework rather than on politicians’ need to review and pass budget requests.”²²

Adopting the NIPA figures for national defense spending, however, only partly solves the problem of developing an accurate assessment of U.S. military spending. It still remains to add to this the military spending concealed in other economic categories, and not captured by total NIPA national defense spending. Drawing on other lines in the National Income and Product Accounts, it is necessary to add to the NIPA national defense figures all or part of: economic grants to foreign governments; space; medical payments to military retirees and dependents at non-military facilities; veterans’ benefits; and the net interest payments on the national debt attributable to military spending.

All of the above items are recognized in NATO and SIPRI definitions of military spending, except veterans’ benefits and net interest payments, which are excluded as “legacy costs.” Yet, since legacy costs are an important part of military expenditures (and some other legacy costs are included in the basic data) we incorporate veterans’ benefits and the net interest payments attributable to past wars and military expansions here, in line with estimates of military spending provided by other analysts. This makes more sense as we are concerned with the social, economic, and imperial legacy of the rise of a U.S. military establishment over more than half a century.²³

Our figures, provided in table 1 show that actual U.S. military spending in 2007 came to \$1 trillion. This contrasts with SIPRI’s clearly understated estimate (in relation to countries other than the United States as well) for all the world’s nations in 2007 of \$1.3 trillion.²⁴

The above estimate of total U.S. military spending in 2007 is in the same ballpark as those that have been derived by some other critics of U.S. military spending—through the alternative, very arduous process of adding up the many different components of military spending hidden in the budget. In a June 2007 article for *Monthly Review*, economist James Cypher, adopting a budget-based approach, arrived at an estimate of U.S. military expenditures for 2006 amounting to \$929.8 billion. More recently Chalmers Johnson, author of the anti-empire trilogy *Blowback*, *Sorrows of Empire*, and *Nemesis*, has contended that when all military spending elements of the U.S. 2008 fiscal year budget are added up the total comes to “at least \$1.1 trillion.”²⁵

Our method above has also been used to develop estimates of actual military spending levels as a percentage of GDP for the post–Second World War era as a whole.²⁶ According to these figures, total military spending as a share of GDP in 2007 was 7.3 percent, the highest level since 1997. In contrast, acknowledged national defense spending as presented by the Office of Management and Budget, misleadingly shows military spending as a percentage of GDP at 4 percent in 2007. (See table 1.)

It is crucial to track military spending as a proportion of total federal government expenditures. In doing so, we follow the accepted practice of excluding social security, medicare, and other transfer payments from our measure of federal expenditures, since transfer payments are self-financing, hence do not draw on the income-tax based general fund or contribute to the national debt. Actual military spending as a percentage of federal spending minus transfer payments (see chart 1) declined every year from the end of the Reagan era in 1988, when it stood at 68 percent, to 2003, when it reached a half-century low of 49 percent. Since then it has changed direction and has risen again to 52 percent. This naturally closely parallels, although at a higher level, the path for acknowledged national defense spending as a percentage of federal spending (also depicted in chart 1). Acknowledged national defense spending in 2007 was only 29 percent of federal expenditures (minus transfer payments), grossly misrepresenting the share of military spending in federal outlays.

The U.S. Imperial Triangle Today

What does the foregoing tell us in relation to our original question? Is it reasonable to argue, as Hobsbawm and others have, that the expansion of U.S. militarism and imperialism in the present period is the result of “a group of political crazies,” who have come to power in Washington and constructed a “radical right-wing regime” abounding in “megalomania”? As an explanation of the current phase of U.S. empire this is clearly inadequate. Despite the often neoconservative nature of the Bush administration’s top operatives, they have had the broad backing of the greater part of the establishment in the wars on Afghanistan and Iraq, the War on Terrorism as a whole, the huge military buildup, etc.

To be sure, if a Democratic administration under Al Gore had come into power in 2000 it is not at all certain that the United States would have gone to war with Iraq, in addition to Afghanistan, though an attempt would have been made to uphold U.S. imperial interests. The Bush administration from the first was distinguished by the particularly bellicose group of neoconservatives at its helm. But in pursuing their belligerent ends they hardly lacked solid backing within the circles of power. Strong support was extended by both political parties, Congress, the judiciary, the media, and the corporations generally. Disagreements were largely about troop levels, the amount of force to be applied, relations to allies, dates of withdrawal (partial or whole), distribution of forces between the major “theaters,” etc. More fundamental questions, even the use of torture, were avoided. Major dissent has mainly come from the bottom of the society.

All of this suggests that expanded militarism and imperialism is deeply entrenched at present, at least within the top echelons of U.S. society. It reflects a general concern to expand U.S. hegemony as part of an imperial grand strategy, including rolling back insurgent forces and “rogue states” around the world, and keeping junior partners in line. The war in Iraq is best viewed as an attempt to assert U.S. geopolitical control over the entire Persian Gulf and its oil—an objective that both political wings of the establishment support, and which is part of the larger aim of the restoration of a grand U.S. hegemony.²⁷ The vast scale of U.S. military spending—encompassing more than 50 percent of the federal budget (excluding social security, medicare, and other transfer payments) and constituting 7 percent of the entire GDP—is thus externally rooted in the needs of the U.S. imperial grand strategy, which continually strains the U.S. system to its limits (as measured by the budget and trade deficits).

U.S. imperialism has been transformed in recent decades by the absence of the Soviet Union, giving the United States more immediate power (particularly in the military realm), coupled, paradoxically, with signs of a secular decline in U.S. economic hegemony. It is this dual reality of a

temporary increase in U.S. power along with indications of its long-term decline that has led to urgent calls throughout the power elite for a “New American Century,” and to attempts by Washington to leverage its enormous military power to regain economic and geopolitical strength, for example, in the Persian Gulf oil region. In recent years, the United States has enormously expanded its military bases and operations around the world with bases now in around seventy countries and U.S. troops present in various capacities (including joint exercises) in perhaps twice that number. Washington is thus not just spending money on the military and producing destructive weapons, or engaging in wars and interventions. It is also building a lasting physical presence around the world that allows for control/subversion/rapid deployment.²⁸

As a further reason not to dismiss the new surge in U.S. militarism and imperialism as merely the “megalomania” of a few, our argument points back to Kalecki’s imperial triangle, as constituting the principal dilemma facing opponents of imperialism. The creation of a huge military establishment to serve the U.S. empire was also understood, in military-Keynesian terms, as a quasi-full-employment strategy aimed at combating economic stagnation. With the help of the media (which, as General Electric Wilson insisted, had the task of “marshalling” public opinion in support of the permanent war economy), the distinctive foundations of post-Second World War U.S. capitalism were laid. The growth of the antiwar movement in response to the Vietnam War, and the end of the Cold War, represented setbacks for the imperial triangle, which showed up in terms of temporary drops in military spending as a percentage of GDP. Each time, in the late 1970s/early 1980s and again in the late 1990s/early 2000s, such temporary lulls in military spending have been followed by a military resurgence.²⁹

For Kalecki the weak link in the imperial triangle was clearly the mass media propaganda system, which had the job of selling the permanent war economy to a population that could conceivably opt for other more rational, just, and egalitarian courses. Unlike the Korean War or the Vietnam War, the Iraq War (like the Gulf War before it) was preceded by a massive antiwar movement in the United States, demonstrating the willingness of perhaps a majority of the population to seek another way, opposed to militarism and imperialism. It was the monopoly media, far more concentrated than in Luce’s day and now virtually indistinguishable from monopoly-finance capital (becoming simply its public voice), that came to the rescue of U.S. war capitalism in its moment of need, giving credence to its obvious lies. “The press,” as one of us has written, “was [soon] eating out of the Bush administration’s bowl.”³⁰

In a period of economic stagnation, financial crisis, declining hegemony, impending environmental collapse, and new populist insurgencies, Washington, representing the U.S. oligarchy as a whole, was once again able to enlist the media monopoly in the marshaling of public opinion in support of the imperial project through the promotion of war hysteria. What made this possible was the prior existence of a well-oiled, privatized propaganda system designed to limit the range of legitimate debate in the mainstream media. In this system even the outer reaches of the quite timid liberal punditocracy were strictly walled-in to fit within the proscribed boundaries of elite debate. Today fundamental dissent toward the existence of the military-imperial system, no matter how thoughtful or well-informed, is decidedly off-limits, except for periodic ridicule. Ours is decidedly a “military-industrial-media complex.”³¹

Nevertheless, the imperial triangle is now increasingly confronted with its own contradictions. As Baran and Sweezy foresaw more than four decades ago in *Monopoly Capital*, the U.S. military system faced two major internal obstacles. First, military spending tended to be technologically intensive and hence its employment stimulating effect was decreasing. “Ironically,” they observed, “the huge military outlays of today may even be contributing substantially to an increase of unemployment: many of the new technologies which are byproducts of military research and development are also applicable to civilian production, where they are quite likely to have the effect of raising productivity and reducing the demand for labor.” Second, expansion of “weapons of total destruction” and the devastating effects of the use of more powerful weapons, could be expected to generate a growing rebellion against the permanent war economy at all levels of society, as people perceived the dangers of global barbarism (or worse, annihilation).³²

Today the enormous weight of Washington's war machine has not prevented it from being stretched to its limits while becoming bogged down in Iraq and Afghanistan. Although still capable of great destruction, the United States is significantly limited in its ability to deploy massive force to achieve its ends whenever and wherever it wishes. The dream of Pax Americana, first presented by John F. Kennedy at the height of the Cold War, has turned into the nightmare of Pox Americana in the years of waning U.S. dominance. The role the media monopoly has assumed in recent years in the promotion of war propaganda has contributed to the rapid growth of a media reform movement, which is now challenging the concentration of communications in the United States.³³

There is no doubt that a society that supports its global position and social order through \$1 trillion a year in military spending, most likely far exceeding that of all the other countries in the world put together, unleashing untold destruction on the world, while faced with intractable problems of inequality, economic stagnation, financial crisis, poverty, waste, and environmental decline at home, is a society that is ripe for change. It is our task to change it.

Notes

1. Office of Management and Budget, *Budget for Fiscal Year, 2009*, Historical Tables, Table 3.2; Stockholm International Peace Research Institute, *SIPRI Yearbook 2008: Summary*, <http://yearbook2008.sipri.org/files/SIPRIYB08summary.pdf>, 10–11; SIPRI, Military Expenditure Database (United States), <http://milexdata.sipri.org/result.php4>. SIPRI data on U.S. military expenditures (drawn on here for estimates of increases in real military spending and for international comparison) are only marginally (about 5 percent) higher than the acknowledged national defense figures contained in the Office of Management and Budget Historical Tables, and are clearly based on these. While the Office of Management and Budget lists \$552.6 billion in total national defense for the United States spending in 2007, SIPRI provides a figure of \$578.3 billion. It should be noted that SIPRI data, although based on the same or similar nominal figures as the acknowledged U.S. national defense spending, registers a higher rate of increase in U.S. military expenditures than “reported in official U.S. data because of the method of conversion into constant dollars. While SIPRI uses the consumer price index (CPI) for price conversion for all countries, the US official figures are converted using military-specific deflators. Thus, the SIPRI data show the trend in the purchasing power of the military budget had it instead been spent on typical consumer goods and services, while the US official data show the trend in its purchasing power for military goods and services. The nominal change is the same for the two series.” *SIPRI Yearbook, 2007*, 275.
2. Michal Kalecki, *The Last Phase in the Transformation of Capitalism* (New York: Monthly Review Press, 1972), 96.
3. Eric Hobsbawm, *On Empire: America, War, and Global Supremacy* (New York: Pantheon, 2008), 57–59.
4. C. Wright Mills, *The Power Elite* (New York: Oxford University Press, 1956), 198. It should be noted that Hobsbawm is not alone in promoting what can be called the “cabal theory.” See the discussion of this in John Bellamy Foster, *Naked Imperialism* (New York: Monthly Review Press, 2006), 13, 18, 107–08, 117–20.
5. “WPB Aide Urges U.S. to Keep War Set-Up,” *New York Times*; January 20, 1944; Charles E. Wilson, “For the Common Defense,” *Army Ordnance* 26, no. 143 (March–April 1944): 285–88; Fred J. Cook, “Juggernaut: The Warfare State,” special issue, *The Nation*, October 28, 1961, 285; Johnathan Feldman, *Universities in the Business of Repression* (Boston: South End Press, 1989), 149–50. Charles E. (General Electric) Wilson did not literally use the term “permanent war economy,” widely attributed to his January 19, 1944, speech. Rather, he spoke of a “program of industrial preparedness” for war that would be “permanent and continuing.” On the end of the Second World War and military spending see Robert L. Heilbroner, *The Making of Economic Society* (Engelwood Cliffs, NJ: Prentice Hall, 1980), 160.
6. Joan Robinson, *Contributions to Modern Economics* (Oxford: Basil Blackwell, 1978), 8–9. For an account of the role of military Keynesianism in successive U.S. administrations see Lynn Turgeon, *Bastard Keynesianism* (Westport, CT: Greenwood Press, 1996).
7. Kalecki, *Last Phase*, 75–83, 95–97; Kalecki's analysis of military spending derived originally from his analysis of the importance of armament expenditures in Nazi Germany's economy and then the basic argument was extended to the role military spending was to play in post–Second World War capitalist economies.
8. *Ibid.*; Cook, “Juggernaut,” 292.
9. Kalecki, *Last Phase*, 97; Harry Magdoff, *The Age of Imperialism* (New York: Monthly Review Press, 1969), 185.
10. These five reasons, presented in essentially this order, were provided by Baran and Sweezy to account

for the growth of militarism in their classic chapter on "Militarism and Imperialism" in *Monopoly Capital* (New York: Monthly Review Press, 1966), 178–217. It is worth noting that their argument was geared primarily to military spending *for empire* and turned to its *macroeconomic benefits* in absorbing surplus and staving off long-run stagnation only at the end. The same structure to the argument on military spending (empire first, economy second) can be seen in Harry Magdoff, *Imperialism: From the Colonial Age to the Present* (New York: Monthly Review Press, 1978), 198–212. Hence, critics, such as Larry Griffin, Joel Devine, and Michael Wallace, who later attempted empirically to test the *Monopoly Capital* argument, which they characterized as a "'naive' model...which suggests that the degree to which national output is absorbed by military spending should be dependent on aggregate economic conditions such as unemployment," were clearly attacking a "naïve model" of their own devising. Ironically, after rejecting this naive model, these same authors ended up concluding that in the face of declining monopoly profits the U.S. state intervenes to absorb surplus through increases in military expenditures—a view much closer to Baran and Sweezy's own argument, but lacking its emphasis on empire over macroeconomics. See Larry J. Griffin, Joel A. Devine, and Michael Wallace, "Monopoly Capital, Organized Labor, and Military Expenditures in the United States, 1949–1976," *American Journal of Sociology* 88 supplement (1982): S113–S153.

11. Baran and Sweezy, *Monopoly Capital*, 159, 161, 177, 208–11. Baran and Sweezy's contention more than four decades ago that civilian government purchases had about reached their outer limit as a percentage of GDP by 1939 was to be borne out in subsequent developments. In 1939 civilian government purchases were 13 percent of GDP; from 1960 to the present they have averaged 14 percent of GDP (and were also 14 percent in 2006). *Economic Report of the President, 2008*, 224, 250.

12. The foregoing quotes from Slichter, Luce, *U.S. News and World Report*, Lawrence, and Harris are all taken from Cook, "Juggernaut," 285, 300–01. See also Fred H. Cook, *The Warfare State* (New York: Collier Books, 1962); Baran and Sweezy, *Monopoly Capital*, 207–13

13. U.S. National Security Council, NSC-68, April 1950, "Section D: The Remaining Course of Action,"; James M. Cypher, "The Basic Economics of 'Rearming America,'" *Monthly Review* 33, no. 6 (November 1981): 12–13; Noam Chomsky, "The Cold War and the Superpowers," *Monthly Review* 33, no. 5 (November 1981): 4–5.

14. Charles Erwin Wilson quoted in Cook, "Juggernaut," 277, 299.

15. Eisenhower, quoted in Cook, "Juggernaut," 276–79.

16. Baran and Sweezy, *Monopoly Capital*, 205.

17. The classic argument on how nuclear weapons were continually used by the United States as *direct threats* to achieve its ends was made by Daniel Ellsberg, "Call to Mutiny," in E. P. Thompson and Dan Smith, ed., *Protest and Survive* (New York: Monthly Review Press, 1981), i–xxviii.

18. Robert Kaplan, *Imperial Grunts* (New York: Random House, 2005), 3.

19. Jurgen Brauer, "United States Military Expenditure," in Wolfram Elsner, ed., *Arms, War, and Terrorism in the Global Economy Today* (Hamburg: LIT Verlag, 2007), 61–66.

20. The design format of this table was adapted from Cypher, "Basic Economics of 'Rearming America.'"

21. Benjamin A. Mandel and Mary L. Roy, "Federal Budget Estimates for Fiscal Year 2007," *Survey of Current Business* (Bureau of Economic Analysis), March 2006, 13.

22. Jurgen Brauer, "Data, Models, Coefficients: The Case of United States Military Expenditure," *Conflict Management and Peace Science* 24 (2007), 58; also Brauer, "United States Military Expenditures," 67.

23. Stockholm International Peace Research Institute, *SIPRI Yearbook, 2003* (Oxford: Oxford University Press, 2003), 365; Brauer, "United States Military Expenditure," 66, and "Data, Models, Coefficients," 56. Note: We have not included Homeland Security in our figures, in line with SIPRI and NATO's exclusion of civil defense programs.

24. *SIPRI Yearbook 2008: Summary*, 10–11.

25. James Cypher, "From Military Keynesianism to Global Neoliberal Militarism," *Monthly Review* 59, no. 2 (June 2007): 45–48; Chalmers Johnson, "Why the U.S. Has Really Gone Broke," *Le Monde Diplomatique*, February 2008.

26. The complete set of data is not provided in this article, but follows the above method throughout.

27. For this general argument see Foster, *Naked Imperialism* (New York: Monthly Review Press, 2006), especially 107–20.

28. Foster, *Naked Imperialism*, 55–66; Chalmers Johnson, *The Sorrows of Empire* (New York: Henry Holt, 2004), 151–85.

29. The military resurgence after periods of relative decline arose in both cases at the tail end of Democratic administrations: Carter in the late 1970s and Clinton in the late 1990s, and gathered momentum in the Republican administrations that followed: Reagan in the 1980s and George W. Bush at the beginning of the 2000s.

30. Robert W. McChesney, *The Political Economy of the Media* (New York: Monthly Review Press, 2008), 105, 108.
31. Norman Solomon, "The Military-Industrial-Media Complex," *Extra*, July–August 2005, <http://www.fair.org/index.php?page=2627>.
32. Baran and Sweezy, *Monopoly Capital*, 213–17.
33. See John Bellamy Foster and Robert W. McChesney, "Preface," in Foster and McChesney, ed., *Pox Americana: Exposing the American Empire* (New York: Monthly Review Press, 2004), 7–10; McChesney, *Political Economy of the Media*, 491–500.