

# Corporate accountability & the military industrial complex

# The problem with the military budget

This paper is the first part of a series that examines the state of the military industrial complex and the movement challenging and dismantling it. We begin with the United States military budget, the corporate actors that balloon it, and how we can demand that legislators channel those funds to resources that keep us safe and healthy.

# Introduction

At the end of December 2023, <u>President Biden signed the 2024 National Defense Authorization Act</u> (NDAA) into law, allotting \$886 billion for military spending. This massive spending bill should come as no surprise given the annual push by U.S. legislators (and the large military contractors they often represent) to increase military spending despite the costs to taxpayers and society.

The <u>\$28 billion increase</u> in the <u>2024 NDAA includes provisions for weaponry and military support for</u> <u>Ukraine</u>. With the passage of the 2024 NDAA, U.S. military spending will reach its <u>highest level since</u> <u>2008 - 2011</u>, during the height of the wars in Iraq and Afghanistan. The U.S. <u>now spends more on</u> <u>defense than the next ten countries combined</u>, representing nearly 40% of the world's military spending. Despite the ballooning expenditures, <u>more than half of American voters are concerned</u> with current military spending.

It's time to stop directing hundreds of billions of dollars away from human needs to unnecessarily fund endless wars, increasing weapons' lethality, failed weapons projects, and the Pentagon's corporate handouts.



### Bigger budget, but still unprepared for threats to national security

Each year, we witness <u>U.S. elected officials--regardless of party affiliation--make the case for</u> <u>increased military expenditures</u> based on so-called national security needs. But the 2024 NDAA fails to address national security at a fundamental level and instead, focuses on the U.S. as a supply depot for other militaries. This current spending strategy enhances the U.S.' role as a global weapons supplier and reduces the focus on more pressing national

security needs.

And what are those more pressing needs? The list is long: Pandemic response. Climate change readiness. National housing and health crises. These nonmilitary threats to national security remain chronically underfunded as the <u>Pentagon budget routinely consumes more than half of</u> <u>U.S. discretionary spending</u>. And we all witnessed the Nonmilitary threats to national security remain chronically underfunded as the Pentagon budget routinely consumes more than half of U.S. discretionary spending.

danger and risk to people in the U.S. as the pandemic took hold, thanks in part to the <u>lack of funding</u> and preparation that had gone into the response plan: U.S. healthcare providers were ill-prepared and unable to provide an adequate supply of respirators, ventilators, masks, and other critical supplies to respond to COVID-19. Although the U.S. spends an estimated <u>\$3.6 trillion annually on health care</u>, <u>less than 3 percent of funding goes to public health and preventative care</u>, which exposes the U.S. population to serious health risks that profoundly impact national security.

So the question arises: Who and what is driving this definition of national security forward, and convincing lawmakers to allocate hundreds and billions of dollars to it when people's basic needs are not being met? And what can we do to redirect funds away from weapons and to the resources that people need?

### The unproven track record of military spending and failed military projects

The <u>Pentagon budget is replete with wasteful spending</u> facilitated by <u>mismanagement, lack of</u> <u>effective internal controls, and lax congressional oversight</u>, resulting in tens of billions in wasted dollars each year. There is, unfortunately, a long list of overpriced and failed projects over the past two decades that illustrate unacceptable levels of Pentagon waste. Here are a few notable examples:



- From 2000 2010, the Pentagon was forced to cancel a dozen ineffective weapons programs that cost taxpayers \$46 billion. These programs included the Future Combat Systems, a fleet of networked high-tech vehicles that did not work; the Comanche helicopter, which was never built despite over two decades of development; and the Crusader artillery gun, which never made it beyond the prototype phase. These <u>canceled programs equated to more than the</u> U.S. spent on the Environmental Protection Agency (EPA) from 2015 to 2020.
- The Pentagon continues to allocate immense resources to <u>failed prototypes of the Army's</u> <u>Bradley tank</u> (over \$22.9 billion spent) and to the ballistic missile defense system with little assurance that it would work (over \$67 billion spent since the late 1990s).
- The F-35 Joint Strike Fighter, which is now the Department of Defense's most expensive weapons program of all time and is <u>expected to cost \$1.7 trillion over its lifespan</u>. The multitude of serious defaults with the plane resulted in the <u>grounding of its entire fleet in 2017</u>
  <u>- 2018</u>. Instead of ending the program and curtailing waste, the Pentagon still <u>plans to</u> <u>purchase 2,400 more F-35s over the next 25 years</u>.

Yet, despite this clear failure of spending, time and time again the military contractors behind these projects continue to be trusted with billions and billions of U.S. taxpayer dollars year after year.

# Let's talk about the profit-driven military contractors

The <u>political activities and spending of the defense industry</u> provide an important window into how exactly the Pentagon's budget continues to balloon with little accountability. As discussions ramp up each year within Congress regarding the NDAA, the industry is already well-positioned to exert its influence over the national budget, thanks to its cozy relationships with elected officials, and with direct campaign contributions being a primary route of influence.

The financial ties between the defense industry and elected officials create constant pressure to maintain a massive Pentagon budget and increase military spending despite the costs to taxpayers and society. And maintaining a steady flow of campaign contributions to key Congressional members seems to be a great investment for the industry, given that more than half of the Pentagon budget goes directly to private contractors each year. The House and Senate Armed Services Committee members ultimately determine the amount of funds authorized through the NDAA. So it's no surprise that the defense industry pours money into the reelection campaigns of these members, creating a self-fulfilling feedback loop that is referred to as the "military-industrial-Congressional-complex."



For last year's NDAA, the armed services committees agreed to increase the Pentagon's budget by \$69 billion beyond the amount requested the previous year. In 2022, Public Citizen analyzed campaign contributions from defense industry PACs and employees to members of the House and Senate Armed Services Committee. The analysis found that the military-industrial complex donated \$10.2 million (2022 election cycle) to the members of these committees, who then voted yes to increase defense spending. Of note, the average campaign contribution from the defense industry to committee members who voted "yes" to increase military spending in 2023 is more than triple the average campaign contribution to those who voted "no." Based on the amount of authorization in the 2023 NDAA, defense contractors will have secured a 450,000 percent return on its \$10 million investment.

Campaign contributions are only one facet of the political influence machine and do not even account for lobbying and charitable activities that also constitute political activities of the industry. But it's clear that campaign contributions both reward and encourage Congress to pump money into the Pentagon despite a lack of public support for bloated Pentagon budgets.

# We can stop the unfettered spending of the military-industrial complex

U.S. Reps. Barbara Lee (D-CA) and Mark Pocan (D-WI) introduced the People Over Pentagon Act of 2023, which would cut \$100 billion from the defense topline to help realign national spending priorities. The goal of the legislation is to divert funding from excessive weapons, war, and waste at the Pentagon, as well as freeing up much-needed resources for pressing public programs that suffer due to a lack of funding. The legislation is a first step at a modest cut in the Pentagon's budget, reducing it by \$100 billion and potentially freeing up funds to resource programs and initiatives that would immediately benefit our collective ability to meet pressing societal needs. The National Priorities Project has outlined several alternatives for redistributing the proposed Pentagon savings, including paying for:

- 1. 95.65 million public housing units for 1 year
- 2. 7.25 million registered nurses for 1 year
- 3. Hiring 9.49 million elementary school teachers for 1 year amid a worsening teacher shortage
- 4. 23.65 million scholarships for university students for 4 years
- 5. 320.39 million for children from low-income backgrounds to receive healthcare



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These are just a few of the alternatives of the programs that the U.S. government can fund instead of excessive military budgets, but these examples demonstrate the immediate positive impacts to both national security and human well-being that reducing the Pentagon's funding could have.

Polling conducted by Data for Progress and Public Citizen (2022) shows that Americans widely reject proposals for increased Pentagon spending. The results demonstrated that 63 percent of those polled believe that the military's budget should not exceed the amount requested from the President. The polling also shed light on the level of concern over U.S. military spending with a majority saying they are "somewhat" or "very concerned" about current defense authorizations. This raises key questions regarding the accountability of our elected officials to their constituencies. And this lack of public support still exists when you break down polling along party lines, with <u>83 percent of Democrats and 51 percent of Republicans polled</u> stating that they do not support further increases to military spending. Given these findings, it's abundantly clear that there's a need to turn around the current budget priorities. Now is the time to build upon that traction and organize in our communities, engage our elected officials, and hold the defense industry accountable for corporate abuse.