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# Defense Report

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## The Defense Budget and Inflation— A Misunderstood Relationship

A recent syndicated newspaper column decried the unwillingness of the White House, Congress or anybody else to identify the true cause of runaway inflation. As the writer sees it, the single most inflationary factor in our country is “. . . the huge, wasteful, non-productive U.S. military colossus, along with the staggering deficits that have accompanied it.”

The column even quoted President Carter's campaign oratory in which the candidate expressed alarm over the diversion of money from education and other peaceful services to support the defense budget. The writer finds it difficult to appreciate why the President, with the weight of leadership responsibility now squarely on his own shoulders, has introduced some real growth into the defense budget, keeping it slightly ahead of inflation. He is particularly concerned about reports that 70 percent of our defense budget goes to defend our allies. He wonders why allies, like Japan and Germany spend smaller percentages of their gross national product on defense than does the United States. Even if major improvements were made in the management of the armed forces, he says, nothing short of an end of the arms race and real progress toward general disarmament will bring “significant savings” in defense expenditures.

Certainly the goals of lasting peace and concurrent disarmament are worthy of constant pursuit but until they can be achieved we are faced with the need to defend our way of life against those who are in fundamental conflict with it. Over the years since World War II the United States has chosen to prepare for a forward defense that would meet any military challenge as far from our own shores as possible. We have encouraged Japan to limit the size of its own armed forces—thus the disparately small Japanese GNP expenditure for defense. The Federal Republic of Germany spends almost four percent of its GNP on defense compared to five percent for the United States but the Germans have the advantage of focusing their military effort in Western Europe rather than in every corner of the world.

The column implies that major defense savings could be achieved by withdrawing into Fortress America and letting the rest of the world sink or swim on its own. Unfortunately the time is long since past when the United States could be independent of foreign commerce and military cooperation.

Yes, it would be better if we could reduce defense costs. It would also be better if we could eliminate the cost of unemployment and welfare payments but we haven't been able to solve the root problem of those budgetary drains any better than we have eliminated the causes of international tension.