

The U.S. Global RoboCop Is Going to Self-Destruct

By [Nick Giambruno](#), Senior Editor, Casey Research International Man, 2 September 2016

Nick Giambruno: Doug, I know you've been thinking about how the Greater Depression will unfold. It's no secret the government has created the biggest credit bubble in history through endless money printing—euphemistically called QE—and now “NIRP” (negative interest rates). But I understand you've had a different “bubble” on your mind lately...

Doug Casey: Yes. I've been thinking about the gigantic bubble in military spending in the U.S. And how it's one of the worst things that can happen, and at the absolute worst time. The U.S. Government is bankrupt, we're about to go into the trailing edge of a monumental economic hurricane, and both of the presidential candidates are talking about vastly increasing military spending.

From an economic point of view, money spent on the military is almost totally wasted. It's worse than money spent to dig holes during the day and then fill them in again at night—at least that does no actual damage. The “product” of the military is killing people and destroying property. And the amount of money the U.S. spends is provocative to other powers, who feel they have to counter with their own spending. Arms races never end well.

I'm going to say some unflattering things about the military, and realize it will probably shock most Americans to hear them. Americans still have a high regard for the military—far too much. They see it as one of the few American institutions that still “works.” They see it as something defending them from evil outside the borders of the “homeland”—which, by the way, is a very recently coined term. But the military is actually just another government bureaucracy, like the Post Office. Albeit much more heavily armed.

Most people are unaware how dangerous the U.S. military has become to both the average American and the concept of America. The minions of the Pentagon aren't protecting Americans. They're actively endangering them, and what the country has always stood for. The situation has gotten totally out of control. Most obviously from a financial viewpoint.

The U.S. currently spends more on “defense” than the next seven governments combined... At one point recently, it was more than the rest of the world combined. But who really knows, since Pentagon accounting is so inaccurate and corrupt?

Nick Giambruno: The 2015 budget was \$600 billion. More than three times what China spends.

Doug Casey: Well, again, nobody knows how big the Pentagon's, or China's, or Russia's, or whoever's, budgets really are. That's just the "official" number, which doesn't include quasi-military spending outside of the Department of Defense. Here, I'm thinking of Homeland Security, "black ops" slush funds, the Department of Energy where a lot of nuclear spending goes, NASA, CIA, and dozens of other ratholes that disguise the real budget. U.S. military spending could easily be over the \$1 trillion mark. It's clear the Pentagon itself doesn't know.

In fact, nobody seems to know how much money is being spent or where it goes. I remember Rumsfeld once remarking, years ago, that they couldn't find \$2 trillion—but there was never a scandal, or even an attempt to find it. The news cycle just went on to the Kardashians or whatever. Now, according to the Office of the Inspector General, at least \$6.5 trillion can't be accounted for. And probably never will be. This is a truly unbelievable number. How dysfunctional has the system become that numbers like that can be dropped with impunity? World War 2 was only supposed to have cost \$341 billion 1945 dollars...

Even though the law requires annual audits of all federal agencies, the Pentagon never complies. They just tell Congress that the books are such a mess, they can't give accurate numbers. No matter; nobody is shutting down the Pentagon. The Pentagon—which is to say the military-industrial complex—is at once so sacrosanct, so gigantic, and so corrupt that nobody dares get to the bottom of it.

Nick Giambruno: Wow, it's hard to imagine how many pockets that \$6.5 trillion has lined around the Beltway...

Doug Casey: Indeed. It makes the TARP bailouts, which came in at around \$700 billion, seem trivial in comparison. And nobody knows where that money went, either. It's funny when you think of the saying attributed to Senator Everett Dirksen in the mid-60s: "A billion here, a billion there, and pretty soon, you're talking real money." We're up to trillions now. Obama might soon be asking his science officer what comes after a trillion.

And this at a time when interest rates are at record lows, and every segment of society is carrying record high levels of debt. Frankly, something has to give... much higher interest rates, much higher taxes, much higher inflation, or perhaps a collapse of the system itself.

Probably all of them together. When interest rates go back up to normal historic levels, that alone will collapse the structure.

It's bad news all around... all this spending on an organization with the primary mission of blowing things up. The military has become a giant golden hammer looking for a nail. It used to be that Congress actually had to declare a war. Starting with the Korean conflict, however, the president found he could commit the country not to just sport wars, like we've always had in Central America, but to a major war. In fact, now the U.S. is in a constant state of undeclared war—Afghanistan, Iraq, Syria, Libya, and a dozen other Third World countries that you rarely hear about. Plus, playing chicken with the Chinese, the Russians, and the Iranians.

Nick Giambruno: What do you say to those who would say you're anti-military?

Doug Casey: I don't necessarily blame the average soldier or sailor. Most of them are just refugees from the barrios, ghettos, and trailer parks who are looking to improve themselves with a steady job. But they go through indoctrination that amounts to brainwashing, and come to believe the U.S. is always in the right. I understand how that can happen; I went to a four-year military boarding school. Fortunately, that cured me of wanting to go to West Point. I was still silly enough to have signed up for the Marine's PLC program during Vietnam—but extraneous events rescued me...

Sure, soldiers learn some good habits, like shining shoes and saying "Yes, sir" and "No, ma'am." It's understandable how many young people who join up see it as helpful. But they pick up plenty of bad habits, too. A military environment is necessarily degrading and dehumanizing. They learn to obey orders blindly, and may end up doing things that will haunt them for the rest of their lives. Of course, the same is true of the grunts in absolutely every country in the world. It's fun to put on a costume and be apotheosized as a hero—even when you're really just cannon fodder.

I realize people think the military is "us." But if you know anything about group dynamics, you realize that they're loyal first to each other. Then to their employer. And last to the citizens.

The real problem, however, lies with the career officers, the Pampered Princes of the Pentagon, as my friend David Hackworth used to call them. They're looking for conflicts to justify their existence, followed by a cushy job with the defense contractor whose weapons

they helped acquire. As the radical writer Randolph Bourne famously said, “War is the health of the State”—and the State is the enemy of every decent person. The military acts to turn average decent human beings into automatons, while its propaganda disguises savagery as heroism. No wonder that they really only want teenagers as recruits; young people are relatively thoughtless and highly malleable.

In a truly civilized society, people interact through persuasion. But as the federal government has grown bigger over the past two centuries, force has become the dominant means of interaction. The thousands of laws, regulations, and outright violence from the police and military are manifestations of it. It’s no accident that people who wear uniforms tend to have an extra Y chromosome.

Nick Giambruno: The Democrats are perceived to be less warmongers than the Republicans, but is that really the case?

Doug Casey: Well, it’s said that the Democrats are the Welfare Party and the Republicans are the Warfare Party. But the only real difference between them is the rhetoric. LBJ was a Democrat, and he promoted a “guns-and-butter” policy—domestic welfare and a war in Vietnam. More recently, Reagan, the Bushes, Clinton, and Obama have all had active wars abroad and plenty of welfare spending at home... It no longer matters which party is elected because they’re both just arms of the Deep State. Which has a life of its own.

Hillary has surrounded herself with the same people who advised Baby Bush into the disastrous wars in Iraq and Afghanistan. She’s already hinted that she would increase meddling in Iran’s politics—which is really kicking a hornet’s nest. Despite her marginal health and advanced years, the woman seems charged with more testosterone than an angry chimpanzee.

There’s zero indication that Hillary would make any wise changes to Obama’s disastrous policies. Trump, too, says he wants to spend even more on the military—although he appears less interventionist. But who can tell? Woodrow Wilson, Franklin Roosevelt, Lyndon Johnson, and the Baby Bush all talked a peaceful line before the election then proceeded to get the U.S. involved in major wars. Words are cheap, and politicians are chronic and enthusiastic liars.

In any event, military spending is a juggernaut. It’s both impossible, and meaningless, to try to trim 5 or 10% of fat. You can neither control nor rationalize it. Why not? The whole

underlying philosophy of the so-called Defense Department—its pre-1947 name, the War Department, was so much more honest—is flawed, totally counterproductive, and so entrenched that it’s incapable of reform. It’s like a 100-story skyscraper. Sure, you can paint it a different color or change a few lighting fixtures. But if you try to change its basic structure, you’ll collapse it.

But, unfortunately, the problem goes much deeper even than that. It’s actually a crisis in civilization itself. By that, I mean there are only two ways for people to interact. Either voluntarily—that is, by persuading people to do something because it’s in their best interest...

Or else by force: You’ll do what I say, because I have a gun and you don’t. America was unique and special because it was conceived in individual liberty, and the State was strictly limited. But now, the U.S. is no different from any other country, and its people are more like the Romans of the third century than their forefathers of the Republic. Force has replaced liberty as a value.

Of course, the military is a blatant example of the use of force. In fact, the military doesn’t act to make the U.S. safe—it’s actively creating enemies around the world. Do you really think that people in Iraq, Afghanistan, and dozens of other countries have a good feeling when they see armed and aggressive American teenagers patrolling their streets, and breaking down their doors at midnight? They like it about as much as we’d like uniformed Muslim teenagers doing the same thing here.

All these ridiculous claims of “nation building” are a fraud and a catastrophe. The U.S. installs some quisling puppet who proceeds to make himself and his cronies into billionaires. And then tries to replace the local culture with our own.

What set Western Civilization—and America, in particular—apart was the elevation of persuasion over force... That’s why we became the wealthiest society in history. But our bloated military, and all of our foreign adventures, are going to bankrupt us while making millions of enemies who want revenge.

Nick Giamb Bruno: History hasn’t been kind to civilizations that overextend themselves militarily...

Doug Casey: No. One obvious example is the Romans. The size of their army quintupled between the reign of Augustus (around the birth of Jesus) and that of Diocletian, circa 300 A.D. (For a more detailed look at Rome, [see this](#).) And by that time—thanks to the inflation necessary to pay for it all—soldiers were often paid in food and other commodities rather than Roman coinage. In fact, the only soldiers who were paid in gold were the barbarian mercenaries from the north—who couldn't be forced to accept debased Roman coins. The U.S. has only been able to sustain its military because, since Nixon, our major export has been dollars—not aircraft, wheat, or computers as in the past. Well, maybe we still export some social media and dating apps...

Since 1971, our main export has been, and is, dollars. But as confidence in the dollar evaporates—which is happening rapidly—the U.S. will be unable to finance this extravagance.

And, of course, there's the example of the Soviets, even though they were doomed from the beginning. Their entire society was based on coercion. Their military spending, if Gorbachev's figures are to be believed, ate up as much as \$200 billion a year at a time when people were standing in line for bread. The USSR, like Nazi Germany, shows that while force can get you prominence for a while, the end result is always disaster.

Nick Giamb Bruno: Some would argue that this military spending would be better spent on education, medical care, infrastructure, and the like...

Doug Casey: While it's true this money would be marginally more productive if it was spent on infrastructure—better roads, faster trains, and the like—these arguments all miss the point. The government shouldn't be doing any of those things—but that's a big subject, for discussion another time.

The problem isn't so much that military spending "crowds out" other programs. The real damage comes from the fact that it drains capital from individuals and businesses, many of whom would use it to create more capital, making society richer. Capital is destroyed by flying million-dollar drones around the Middle East to blow up mud huts.

It's unethical because the people in those benighted countries pose very little threat to the U.S. It's counterproductive because for every actual enemy we kill, we create 10 more. And it will wind up bankrupting the U.S., even if it doesn't start World War 3.

It goes back to the fundamental differences we talked about earlier—persuasion and trade versus force. People everywhere in the world used to love and admire the U.S. We used to represent California girls, rock music, convertible cars, and general peace and prosperity. Now, we're hated and despised. The world now associates us with drones, air strikes, regime change, invasion. And financial crises, a la 2007-2010.

Nick Giambruno: The U.S. military has a presence in more than 130 countries. It's in nearly every country on Earth...

Doug Casey: Yes, military spending has a life of its own. It's like a cancer at this point. It devours more than half (54%) of the federal budget's "discretionary spending" each year. That's to say the money that's left over after Medicare, Social Security, Medicaid, and interest on the national debt. And, of course, it's all borrowed. It used to be the Chinese lent us the money, but they want out. Now, the government has to sell the debt to the Federal Reserve—which will result in the dollar losing the rest of its value. The global RoboCop trying to police the affairs of the entire world is going to self-destruct.

The U.S. military is the world's biggest consumer of capital and resources. Do we really want the world's biggest consumer to be a gigantic killing machine that roams the world looking for trouble?

The military is already the world's largest consumer of oil. And the number one buyer of Jack Daniels whiskey, of all things... A consequence of the fact so many veterans have PTSD? Very possibly.

That's good for Jack Daniels shareholders, of course. But money means nothing to the Pentagon. It's not just about \$500 hammers and \$640 toilet seats. Waste is endemic in trillion-dollar weapons systems, like the B-2, the F-35, the Littoral Combat Ship, Ford-class carriers, and numerous other systems. It's too bad these weapons systems are analogous to cavalry before WW1 and battleships before WW2.

These weapons are obsolescent at best. They're not assets, but liabilities. Carriers are sitting ducks to both ballistic missiles and Mach 5 sea-skimming cruise missiles, which are cheap enough to launch in swarms. Smaller-surface ships—which all cost a billion or more apiece—are extremely vulnerable to fast, very cheap patrol boats if they get anywhere near the shore. The Iranians recently demonstrated that.

Multibillion-dollar weapons systems are worse than useless against distributed warfare, guerrilla warfare, open-architecture warfare—the type of thing that so-called terrorists engage in. They’re of marginal value against conventional nation-states like China or Russia. The next war will likely emphasize cyberweapons, bioweapons, infrastructure attacks, robots, and cheap missiles and drones in massive, overwhelming quantities.

All our high-tech hardware will be exposed as obsolete junk. It’s of no real value, and it’s bankrupting the country—along with other stupid government programs.

Military spending is one more nail—a huge one—in the coffin of the American economy. If you’re bankrupt, you can forget about winning a war. The winner is always the economic powerhouse.

Nick Giamb Bruno: So what should be done about all this? What would you do if you were in charge?

Doug Casey: The U.S. should withdraw its troops from all foreign bases. If you want to “support the troops,” that’s the biggest single thing to do. Stop intervening in foreign countries; it never works, and always creates new enemies. Change the whole thrust of foreign policy from alliances and aggression to free trade and strictly domestic defense. This would allow us to cut military spending, and the size of the military establishment, on the order of 90%. Most of the Pentagon, which houses a self-serving bureaucracy, should be boarded up and mothballed.

Abolish the CIA, whose record at predicting even major events—including the Korean War, the Cuban missile crisis, the Vietnamese Tet Offensive, the Iranian Revolution, the Soviet invasion of Afghanistan, the collapse of the USSR, and many, many others—is unblemished by success. Worse, the CIA, like the NSA, has become a costly and extremely dangerous Praetorian Guard.

Of course, before any of that could ever happen, a group of four-star generals would have a “sit-down” with me, and let me know how things are going to be. I suspect things have evolved far beyond easy political solutions.

Actually, because the public has such a love affair with the military, I wouldn’t doubt that, if we have a serious disaster in the U.S., the military might try to take over. I’m only surprised that both parties didn’t put up generals in the current election. Maybe next time...

If so, remember what Gibbon said: “The army is the only order of men sufficiently united to concur in the same sentiments, and powerful enough to impose them on the rest of their fellow-citizens; but the temper of soldiers, habituated at once to violence and to slavery, renders them very unfit guardians of a legal, or even a civil constitution.”

Nick Giambruno: Ok, so we are up the river, no matter who gets elected. Any recommendations?

Doug Casey: Well, there’s no denying the big defense companies have had a great run. If you own them, I think it would be prudent to cash in your chips at this point—before the next crisis gets underway. Once the government gravy train ends, these stocks could get cut in half. At this point, they’re the equivalent of buggy-whip makers.

Nick Giambruno: Thank you, Doug.

Doug Casey: My pleasure.

Editor’s Note: As Doug and Nick discussed, the U.S. is clearly in the latter stages of decay.

We think a financial collapse for the record books is coming. It’s going to be much worse, much longer, and very different than what we saw in 2008 and 2009.