The Military-Industrial Complex at 50

To mark the 50th anniversary of Eisenhower's farewell address, the Cato Institute hosted a conference (page 12) of distinguished speakers to discuss the meaning and impact of prescient remarks. Among these were Susan Eisenhower, chairman emeritus of the Eisenhower Institute and granddaughter of President Eisenhower; Eugene Gholz, associate professor and distinguished scholar at the Robert Strauss Center on International Security and Law at the University of Texas, Austin; John C. Hulsman, senior research fellow at the Hague Centre for Strategic Studies; Richard K. Betts, director of the Saltzman Institute of War and Peace Studies at Columbia University; and Christopher Preble, director of foreign policy studies at the Cato Institute. Preble also read prepared remarks from Andrew Bacevich, professor of international relations and history at Boston University, who was unable to attend in person.

SUSAN EISENHOWER: "The Farewell Address" was a bookend to "A Chance for Peace," the first major speech of Eisenhower's presidency, delivered just weeks after the death of Joseph Stalin in 1953. We are marking the 50th anniversary of the Farewell Address on the 17th of January, but taken together these speeches underscore the transformational times in which Dwight Eisenhower served as president.

There is a contemporary resonance to these addresses because we are also living in such times. The difference is that the United States is not in the strong position that it was in 1953. After all, in 1953, even though money was constrained, the United States was the world's largest creditor nation, and it had emerged from World War II as the globally preeminent power. Today, however, if our position on the international stage is changing it is largely because of involuntary trends.

Like the 1950s, we also live in times of rapid technological advancements, and we have a changing view of the threats we confront. Like those times, we also have a set of shifting moral values, and we have radically new ways we communicate—then it was television, today it is the Internet.

As a member of the Eisenhower family it is deeply gratifying that part of my grandfather's legacy are these two speeches. The fact that a set of ideas he advanced 50 years ago could still serve as a platform for debate today is indeed a wonderful thing. Perhaps one of the reasons the speeches still have contemporary relevance is that Eisenhower was projecting his thoughts about the future; he was playing for the long game. How many times in his speeches did his mention his grandchildren? I may be one of them, but we're all the grandchildren of that generation.

Eisenhower was thinking about the decades to come—even the next century—so much that he put a time capsule in his house at Gettysburg. It's buried in one of the walls. To my distress, is not to be opened until 2056, which means that I'll be long gone. It doesn't seem fair, now does it? But this is so Eisenhower, still talking to generations yet to come.

ANDREW BACEVICH: Politics is a blood sport. The making of national security policy is nothing if not political, with blood and treasure, power and access, ego and ambition on the line. So senior officers learn how to lobby, leak, ally with strange bedfellows, manipulate the media, and play off the Congress against the White House. That's how you get things done in Washington.

Theoretically, the top brass should privilege the national interest over parochial concerns, render disinterested advice when asked, and then loyally implement whatever decision competent civilian authorities may make. Theoretically, civilian authorities should treat their military counterparts with the respect deserving of professionals. They should allow the military wide latitude in matters pertaining to war. Theory does not conform to reality. Conflict exists between the top brass and top civilian officials for precisely the same reason that conflict pits Republicans against Democrats, the White House against Capitol Hill, the Senate against the House: because power is at stake.

The ideal of civilian control stands in relation to actually existing civil-military relations as the ideal of the common good stands in relation to actually existing politics. It represents an aspiration rather than a fact. It will never define reality. Responsibility for this unhappy circumstance does not lie with one side or the other but with both. To insist that senior officers and senior civilians should find a way to work in harmony recalls Rodney King's plaintive appeal during the 1992 Los Angeles riots: "Can't we all just get along?" Any such expectation of human behavior, applied to politics, flies in the face of the whole record of history. As with the poor, the competition for power will be ever with us.

Somewhere around 2004 or 2005, Americans began awakening to the real implications of having deep-sixed the citizen-soldier. Inside the Beltway, it became apparent that the United States was con-

fronting the problem of too much war and too few warriors. With few allies stepping up to the plate to help, the Pentagon turned increasingly to mercenaries, a.k.a. private security firms, to ease the burden on a badly overstretched force.

Outside the Beltway, it became apparent that the American people retained very little say in the employment of an army over which they had forfeited any ownership. If there remained any doubts on that score, President Barack Obama's decision to escalate the Afghanistan War ended them.

"We the people" need to understand: it's no longer our army—it hasn't been for years— it's theirs and they intend to keep it. The American military belongs to Bill Clinton and Madeleine Albright, to George W. Bush and Dick Cheney, to Hillary Clinton and Robert Gates, to Admiral Mullen and General Petraeus. They will continue to employ that military as they see fit. If Americans don't like the way the army is used, they need to reclaim it. This can only happen by resuscitating the tradition of the citizen-soldier.

In Washington, people will wring their hands over the unseemly state of relations between civilian and military elites, as brass hats and politicians maneuver against each other for advantage. That's their problem.

The problem for the rest of us is a far greater one: grasping the implications for our democracy, moral as well as political, of sending the few to engage in endless war while the many stand by—passive, mute, and whether they like it or not, deeply complicit.

EUGENE GHOLZ: President Eisenhower warned against the crowding out of commercial economic activity by military spending. He feared that companies would decide what to do based on the hope of getting a government contract, as opposed to trying to make products that people would buy willingly in the marketplace.

There's a countervailing view about spinoff technologies, and how military effort can actually help the commercial economy by inventing great products. The spinoff story is exaggerated.

President Eisenhower was looking at this in the fifties when he observed the risk. What was the exciting, high-tech industry of the time? Jet aircraft. New, exciting, and related to the military. The military was buying a lot of jets, and we were entering the era of commercial jet travel. The Boeing 707 is the hero story for the spinoff people.

I don't think there is any doubt that some of the basic technology, like swept wings, came from military research. And that's what we would expect. The government does basic


Eugene Gholz

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research. Private companies do applied research. You look to the government to do basic things, like figure out the core technology of swept wings, but then when you make a product that people want to buy, swept wings isn't enough. You have to decide how far the plane will go, how fast, how many passengers, will it be quiet or noisy, and how much fuel will it use. The question for Boeing was, were they better off competing in the commercial aircraft market selling their 707 because they also had military aircraft contracts at the same time? Were they helped by developing the products in parallel? Not really.

The military was such a powerful customer that Boeing really had to tailor their products to military requirements—and they had to pay attention to the military first. From the military's perspective as a customer, if a company wants to sell products to commercial airlines, that's a distraction. The military is not going to reward you if you say, "Yes, I really would like to make your product. I'll make you a fighter plane or a bomber, but first, I'm going to take care of this thing for American Airlines. I'll get around to dealing with the military when it's convenient." That's not how it works. The military says, "You pay attention to us first. If you have a little free time to do something for commercial people, that's fine. But we don't believe you have free time because we think every second of every day you should be working on the military contract." Boeing had a problem because commercial airlines didn't trust them. Those commercial airline companies thought, "Our order from Boeing will be delayed because the military will ask them for a hurry-up on production on the tankers, or something else will divert them so they can't pay attention to our needs."

JOHN C. HULSMAN: I see the Farewell Address as a culmination of the way Eisenhower ran the presidency, of the way he lived his life, of the things he believed in. It's sad that it all sounds rather odd now, because I believe he was right.

In 1954, the French were in agony over Dien Bien Phu, and there was tremendous pressure on Eisenhower to intervene. Eisenhower realized General Ridgway was against the incursion, and so what did he say to him? Think of the difference from the way things work nowadays. He said: "Cost it. What would it cost to go in and intervene in a real way in Indochina?" Ridgway dutifully did.

He didn't make up fanciful numbers as did our former Deputy Secretary of Defense during the recent Bush administration, who said, "Iraq will cost nothing." Because he's so good at math, we made him head of the World Bank. I find this absolutely breathtaking that the man was rewarded. I was in

the room when he said, "It'll be a neutral cost," and I thought "I've had a heart attack, I'm sure I've misheard." That's not a small mistake. The one line I say to every American now is "Do you want your trillion dollars back?" As you might guess, no one argues with me. Realists nowadays say, we simply don't know what will happen, and we might need the trillion down the road. That's a totally different way to look at the world than one does in Washington.

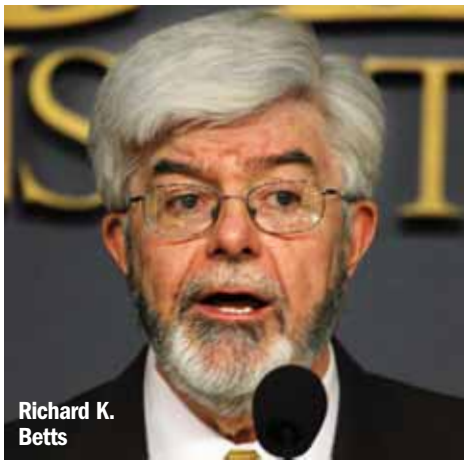
Anyway, the number came back from Ridgway. The hero of Korea told the hero of Normandy, "$3.5 billion." So then what does Eisenhower do? Does he call in a neoconservative decisionmaker, a Democratic hawk, a nation builder? No, he calls in the Secretary of the Treasury. He says to George Humphrey, "What will this mean? I made three campaign promises in 1952: I'm going to get out of Korea, I'm going to balance the budget, and I'm going to cut taxes. What will that mean for two of those three promises?" Mr. Humphrey gives him an unequivocal answer: "It'll mean a deficit, Mr. President." And Eisenhower says, "Well, that's the end of it."

Boy do I miss that.

The thing that Eisenhower got right is the notion that economic strength is the ultimate lodestar of national power. That's what's missing today. As the fifties went on, particularly after Sputnik, when things got dicey, Eisenhower was asked why he was not raising defense spending, and he said, "Well, without fiscal soundness, there is no defense." Amen to that.

RICHARD K. BETTS: Eisenhower's cautionary Farewell Address seems a beacon to the forces of frugality and restraint today, because despite total victory in that long contest, against a hefty threat, the United States remains intensely engaged militarily around the world, fighting twice as many wars, though smaller ones, in the two decades since the Berlin Wall fell, than it did in more than four decades of the Cold War. The wave of ambition to reshape the world has crested since setbacks in Iraq and Afghanistan, but the sources of this ambition have been resilient, and in constant need of the reminder about costs that was so well emphasized in Eisenhower's farewell.

U.S. policy has gone beyond what Eisenhower expected, but not so much because of the warning about the military-industrial complex that's most remembered. True, corporate interests, and to a smaller degree, the direct influence of the professional military have something to do with it, but I think the more important reasons have been a perverse convergence of paleoliberals and neoconservatives, strange bedfellows,


Richard K. Betts

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promoting intervention abroad; the evaporation of constituencies in both major political parties for enforcing military frugality; "victory disease," after the stunningly successful and surprisingly easy liberation of Kuwait in 1991; disengagement of most of the public from the consequences of military activism in the decades after the Vietnam War; and the institutionalization of empire and government organization and habits of operation, which would become second nature over the course of the half century since Eisenhower reflected on what was then the new permanence of peace-time mobilization.

The main reason for ambitious American behavior lies less in the military-industrial complex than in political developments beyond it. At the time Eisenhower said goodbye, military contractors competed and lobbied over which programs would be funded within a set defense-budget ceiling. They couldn't compel an increase in the aggregate level of spending. What changed after Eisenhower was that presidents stopped imposing formal, and frankly arbitrary, limits on the defense budget. Truman and Eisenhower had forced the services to bargain and logroll rather than simply ratchet up programs. What changed, as well, was the further evolution of what Eisenhower had wanted to call the "complex" in the original draft of his speech, which was changed before delivery, and that was the "military-industrial-Congressional complex." Eisenhower could get away with setting an arbitrary cap on military spending because his credentials as a warrior were bulletproof, and subsequent presidents had to claim that they would spend whatever security required. The formula for trying to measure that became a hopeless political football.

It's a shame that damaging setbacks in recent wars have been required to disabuse Americans of heady optimism about our capacity to control world order at low cost, and to make more modest conceptions of American missions politically viable options again, but at least we shouldn't let costly reverses go to waste. Let's hope they remind policymakers of the risks and costs that Eisenhower saw so long ago.

CHRISTOPHER PREBLE: Many Americans confuse military power with national strength. This mindset is particularly prominent, I would argue, among Washington's foreign policy elite, who view increases in the military's budget as synonymous with an increase in national strength and national security.

Eisenhower saw things differently. "Our problem," he explained in his first State of the Union Address, "is to achieve adequate military strength within the limits of endurable strain upon our economy. To amass military power without regard to our economic capacity would be to defend ourselves against

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ate director of the Center for Trade Policy Studies at the Cato Institute, in **"Protection Made to Order: Domestic Industry's Capture and Reconfiguration of U.S. Antidumping Policy"** (Trade Policy Analysis no. 44). As the Obama administration proposes to amend certain aspects of the Commerce Department's oversight of the U.S. antidumping law, Ikenson reflects on the history of antidumping and shows how it changed from a program designed to help

consumers to one that is indistinguishable from protectionism. "No longer are anti-competitive or predatory pricing practices the target of the antidumping law," Ikenson writes. "Rather, its target is price discrimination—specifically, the act of a foreign firm charging lower prices in the United States than it charges in its home market for the same product." The paper outlines the history of antidumping and its evolution "from an obscure offshoot of competition law into the predominant instrument of contingent protection that it is today." He shows how the recent increase in antidumping activity has nothing to do with nefarious action by foreign firms but, rather is a "progressive expansion of the definition of dumping, relaxation of evidentiary standards, and a pro-domestic-industry bias in the law's administration at the U.S. Department of Commerce." Given these facts, new attempts to expand the reach of these laws are misguided.

The Root of Africa's Troubles

"The contemporary era of globalization has afforded unprecedented opportunities to billions of people in emerging markets," writes Greg Mills in **"Why Is Africa Poor?"** (Development Policy Briefing Paper no. 6). Yet the growth arising from those opportunities appears to have passed Africa by. Mills, director of the Brenthurst Foundation in Johannesburg, South Africa, and author of *Why Africa Is Poor—and What Africans Can Do about It*, first examines the reasons often given for African poverty, including lack of access to international trade, too much foreign aid, little technical and development expertise, and scant natural resources. Each of these is either inadequate to explain Africa's state or simply a myth. Rather, Mills writes, "The main reason for African poverty is the bad choices made by African rulers." He notes that "it is important to recognize that those leaders have often taken decisions under difficult circumstances" but that "in other parts of the world, those challenges are usually regarded as obstacles to be overcome, not as permanent excuses for failure." Mills offers explanations for the sorry state of African governments, including the fact that "African societies . . . have overwhelmingly been run along the lines of the 'politics of the belly'—a primordial lust for wealth and power along crude racial, tribal, party, and familial lines." He says the key to promoting economic growth is not more aid from rich countries but liberalization, even if this means an uphill battle against African political elites who "must be willing to prioritize economic growth over political power." ■

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one kind of disaster by inviting another."

Such sentiments may strike many of you today as timeless principles that need not be dusted off during momentous anniversaries. And yet, we must not forget that 50 years ago, liberal Democrats, men like Henry M. "Scoop" Jackson, Missouri's Stuart Symington, Senate Majority Leader Lyndon Johnson, and a young senator from Massachusetts, John F. Kennedy, knocked Eisenhower for constraining the military's budget and allowing fiscal considerations to shape the nation's strategic objectives. They charged that Eisenhower was forcing the nation to fight the Cold War with one arm tied behind its back and that his decision to shift resources out of the Army, especially, limited the nation's flexibility to engage in land wars in Asia.

Today's neoconservatives, the intellectual descendants of the liberal hawks of the late 1950s, are equally dismissive of deterrence, but I would also say of basic geography. They say that we Americans can only be safe if the whole world is safe; that democracy in North America depends upon democracy in Southwest and Central Asia. They call for the U.S. military to drain the swamp wherever terrorists might poke up their heads, or for Washington to embark on open-ended nation-building missions whenever a petty despot with a megaphone seems poised to seize control of any plot of land on the planet.

I'm not naive; neither was Eisenhower. He correctly anticipated that the military-industrial complex's influence over politics would be difficult to break. He hoped that an engaged and knowledgeable citizenry would serve as the necessary corrective, but as I've noted, most Americans are simply too busy with their daily lives to pay much attention. And a few do benefit handsomely.

But that might be changing. The depths of the nation's fiscal crisis have evoked warnings that our insolvency threatens our national security. The Pentagon's budget has doubled in inflation-adjusted dollars since 1998, and remains one of the few government agencies for which the Obama administration has programmed real growth for the foreseeable future. But as more Americans come to understand the high costs and dubious benefits, a backlash is all but inevitable.

At this point in time, we wish we had another Eisenhower, or someone like him: articulate, knowledgeable, whose credentials on national security are unassailable, who can communicate an alternative vision for U.S. national security that does not depend upon a massive military scattered in a vast archipelago of hundreds of bases around the world.

As it struggles to bring the costs of our enormous military under control, Washington, the city of Washington, should embrace strategic restraint—an approach to global affairs characterized by the minimal use of force combined with extensive economic and cultural engagement around the world. That is a foreign policy befitting of a constitutional republic, a foreign policy in close harmony with the vision of the Founders, and one that is consistent with the vision set forth 50 years ago by Dwight Eisenhower. ■