

n his 1961 farewell speech, President Eisenhower warned Americans of the growing influence of a corporate-military alliance that could undermine our democracy and plunder our nation's resources for the sake of profit and power. We failed to heed this warning, and today the U.S. exists in what Columbia University Professor Seymour Melman terms a "permanent war economy," where more than half of all U.S. tax dollars are spent on military operations.

The Department of Defense, with the support and encouragement of hundreds of private defense companies, has eliminated the distinction between corporations and government. Together they operate outside of competitive markets and constitute the largest system of corporate welfare the world has ever known. In 2010 the Pentagon doled out nearly \$300 billion of taxpayer money to private defense companies, with nearly half of that, or \$140 billion, given in no-bid contracts to corporations like Halliburton, Lockheed Martin and Northrup Grumman. Huge campaign contributions and the intentional placement of defense industry facilities in nearly every congressional district ensures the collaboration of elected officials.

How much of this military spending is unnecessary? How much of the so-called "war on terror" is really about rationalizing defense industry profits and securing Middle East oil for Western corporations? U.S. foreign aid is also a form of corporate welfare, because foreign countries are required to purchase American weapons systems in return for the aid. Egypt, for example, is required to spend \$1.3 billion, or almost half of the approximate \$3 billion a year given to it in foreign aid, on American-made weapons (including crowd control weaponry their military uses to suppress the pro-democracy movement). This guarantees huge profits for private defense corporations.

The enormous amount of resources and capital spent on sweetheart deals for private military corporations reduces our nation's ability to manufacture useful products, repair societal infrastructure and produce sustainable jobs. As the costs of the wars in Iraq and Afghanistan approach \$2 trillion, our levees and bridges are collapsing and millions of Americans are out of work. Federal government spending on defense is more than double that of education, science, transportation, and housing and urban development combined.

Do the Pentagon and private defense corporations serve the American people or do they serve one another at our expense?

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