

## 9. Defense Spending (National Security Surtax)

In 2012, Congress budgeted \$849.6 billion for defense spending. This enormous amount of money represents more than the total amount of revenue spent on defense by the next seven countries combined, and arguments rage on all sides of the political spectrum as to whether this is too much, too little, or just the right amount.<sup>1</sup>

Since we know that waste, fraud, and corruption plague all giant industries, we can state with certainty that this is also the case within the Department of Defense. Therefore, there are two questions we must answer, and they are: “How do we eliminate waste, fraud, and corruption within the Department of Defense?” and, “How much money should we spend on our nation’s security.”

The answer to the second question is that in general, we should spend no more than twice the combined amount that China and Russia spend on their military budgets. Any amount over that, for whatever reason, should be financed by a National Security Surtax applied across the board to all taxpayers. This is the fiscally responsible thing to do. So, instead of simply spending unlimited amounts of money and putting it on the national credit card and placing the burden of repayment on future generations, we need to assume responsibility for our own monetary decisions and take care of this obligation on a pay-as-you go basis.

For example, in 2012 China spent \$166 billion and Russia spent \$90.7 billion on their security.<sup>2</sup> This totaled \$256.8 billion. This proposal would double that amount, to \$513.6 billion, and anything above that would have to be financed by the National Security Surtax. Since \$849.6 billion had been allocated for defense spending in 2012, subtracting \$513.6 billion from \$849.6 billion leaves \$336 billion that would have to be raised through the National Security Surtax.

Based on the principles and income brackets found in Section 2, an average payment per bracket to cover the \$336 billion would be as follows:

<b>Bracket</b>	<b>Individual’s Annual Gross Income</b>	<b>Average Tax Rate</b>	<b>Allocation per Tax Bracket</b>	<b>Allocation per Taxpayer</b>
Bracket #1	\$1 - \$100,000	14%	51.1%	\$ 1,409
Bracket #2	\$100,001 - \$200,000	18%	10.6%	2,278
Bracket #3	\$200,001 - \$300,000	21%	4.1%	4,786
Bracket #4	\$300,001 - \$400,000	24%	3.0%	12,786
Bracket #5	\$400,001 - \$500,000	27%	1.8%	13,096
Bracket #6	\$500,001 - \$600,000	30%	2.1%	33,905
Bracket #7	\$600,001 - \$700,000	33%	1.6%	30,476
Bracket #8	\$700,001 - \$800,000	36%	1.1%	26,991
Bracket #9	\$800,001 and above	39%	24.5%	144,370
	Totals	19.4%	100%	2,353*

\*\$2,353 is the additional average annual payment every taxpayer would be required to pay in 2012 if the National Security Surtax had been in effect at that time.

<sup>1</sup> [http://pgpf.org/chart-archive/0053\\_defense-comparison](http://pgpf.org/chart-archive/0053_defense-comparison)

<sup>2</sup> <http://www.economist.com/blogs/graphicdetail/2013/04/daily-chart9>

From the table above we can see that those in bracket #1 would be assessed an average surtax of \$1,409, those in bracket #5 would be charged an average of \$13,096, and those in bracket #9 would have to pay an additional \$144,370 to cover the \$336 billion that was spent above the \$513.6 billion limit this plan advocates for defense spending in 2012.

The presentation of a bill this high, on top of the taxes people have already paid, will propel taxpayers into the first three stages of the seven stages of grief: shock, denial, and anger.<sup>3</sup> And, these emotions will increase exponentially when taxpayers realize that their bill will be multiplied by a factor of nine to cover the \$3 trillion that will be spent on the war in Iraq.<sup>4</sup>

Since most taxpayers will never get to the acceptance stage, their anger will be directed at the government. Millions of taxpayers will want to know why we fund between 800 and 1,000 military bases scattered throughout the United States and the rest of the world, and the reasons why we fund superfluous and redundant weapons systems.

For example, taxpayers will want to know why, for so many years, Congress funded the back-up GE-Rolls Royce engine for the F-35 stealth fighter made by the Lockheed Martin Corporation, when Pratt & Whitney already builds the primary engine. When President Obama highlighted that this unnecessary back-up engine was manufactured in former Speaker of the House John Boehner's district strictly for political reasons, Congress, for the first time, blocked funding for this program. This saves taxpayers over \$3 billion annually in unnecessary defense spending.<sup>5</sup>

Other examples include: The Global Hawk Block 30 drone program; The C-27J Spartan cargo aircraft; Upgrades to the M1 Abrams tank; and, Air National Guard Funding: A proposed East Coast missile defense system.<sup>6 7</sup> And, the list goes on and on.

When taxpayers realize that they have the power to avoid the National Security Surtax simply by monitoring what's going on in Washington, they will become more involved in the political process. Millions of taxpayers will demand placement of the defense budget on the internet for easy public viewing. Then, millions of Americans will use their computers and sleuthing skills to go over every aspect of military spending to ferret out waste, fraud, and corruption.

This mass public auditing will be of great benefit to the nation. No longer will Congress pass defense appropriation bills without knowing that the voters are really watching them. This will stop the politicians from promoting the continuation of unnecessary military bases in their districts, and the redundant and unwanted weapons systems that cost taxpayers billions of dollars. Now, Congress will be forced to fund only those programs and services that are truly in the nation's interest, and the era of wasteful spending will come to an end. All this will come about based on the fear and anger generated from the possibility of paying a surtax on unwarranted defense spending.

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<sup>3</sup> <http://www.stages-of-grief-recovery.com/7-stages-of-grief.html>

<sup>4</sup> [http://carnegieendowment.org/files/0408\\_transcript\\_stiglitziraq.pdf](http://carnegieendowment.org/files/0408_transcript_stiglitziraq.pdf)

<sup>5</sup> <http://bloomberg.com/news/articles/2011-02-16/u-s-house-votes-to-kill-f-35-backup-engine-from-ge-rolls-with-funds-cut>

<sup>6</sup> <http://military.com/daily-news/2012/08/20/congress-pushes-for-weapons-pentagon-didn't-want.html>

<sup>7</sup> <http://www.pogo.org/blog/2013/05/pentagon-tell-congress-stop-giving-us-what-we-dont-need.html?referrer=https://www.google.com/>