

II. United States

Commission Demands U.S. Military Buildup Amid Economic Collapse

by Carl Osgood and Cal Smith, P.E.

Aug. 9—America, since the end of the Cold War, and especially since the attacks of 9/11/2001, has been repeating the same error of policymaking—centering the U.S. economy on war mobilization—that brought down the Soviet Union.

In 1982, *EIR*'s founder, Lyndon LaRouche—in collaboration with Ronald Reagan's National Security Council and as his own agent—took part in backchannel discussions with Soviet representatives for over one year, around a new strategic doctrine to replace the policy of Mutually Assured Destruction (MAD). LaRouche's idea was to embark on a joint crash scientific mobilization to develop new technologies, including energy-beam anti-nuclear defenses, to make nuclear missiles obsolete, and to reorganize the financial system to serve rapid rates of scientific and technological progress. This "SDI" (Strategic Defense Initiative) policy included measures to reorganize the financial system and to ensure that the technological spinoffs from SDI would be applied to revolutionizing industrial production, including with lasers, plasmas, fusion, and other technologies, to promote long-term peace and development based on increasing the productive power of labor.

Between the Spring of 1982 and August 1982, these secret talks were held in the Soviet Embassy in Washington, D.C. That August, however, the Soviet regime very sharply rejected the policy. President Reagan then decided to announce the proposed policy publicly, in a [national television](#)

[address](#) that he made to the nation and world on March 23, 1983.

Soviet officials detailed to LaRouche in February 1983 that they did not believe the Soviet economy could keep up with an American economy fully mobilized around a scientific crash program; thus they



Dean Andromidas

Lyndon LaRouche, in his 1988 Berlin, Germany, press conference, repeated his years-earlier forecast of the breakdown of the East Bloc economies under a military buildup, unless they accepted the new SDI driver to retire mutually assured destruction.

would reject the SDI policy. Instead of cooperating with the United States on joint SDI development, the Soviets accelerated their military buildup, but without improvements in infrastructure or industrial capacity.

LaRouche warned the Soviets, publicly, in [EIR's Global Showdown](#) report of July 1985, that the East Bloc, or "COMECON" economies would break down under this buildup *by 1988*, unless they accepted the new SDI driver to retire mutually assured destruction. He repeated that forecast on October 21, 1988, in a

televised Berlin, Germany, [press conference](#), and proposed initiatives by the West to begin rebuilding the East Bloc economically, starting with Poland, in cooperation with the Soviet Union.

The Soviet Union and East Bloc economies [collapsed in late 1989](#), confirming the timing of LaRouche’s forecast of the result of a Soviet choice of a war buildup, and refusing a policy combining strategic security with scientific and technological progress and economic development.

Washington’s Warmongers Today

The United States’ political leaderships have repeated and repeated that mistake of the Soviet Union, continuously since 9/11/2001. The looming end result is the same—collapse.

America is engaged in a massive war buildup while its economy, indeed the entire trans-Atlantic economic and financial system, is collapsing, following decades of deindustrialization.

The Washington war party, dominated by the military-industrial complex and the financier interests that control it, is escalating its demands on the Congress for even more spending and militarization of the American government and the national economy. This, the war party claims, is necessary to contain Russia and China and maintain U.S. global military supremacy.

The new escalation is expressed in the [report](#) of the Commission on the National Defense Strategy, released on July 30. The commission was established by Congress in the Fiscal Year 2022 National Defense Authorization Act, for the purpose of reviewing the Biden Administration’s 2022 National Defense Strategy. The Commission’s report doesn’t deviate much from previous such reviews. It calls for a military budget much bigger than present expenditure, which is very near \$1 trillion/year, and a bigger military force structure to contain the “peer” big

power rivals of the United States, as designated in the 2018 National Defense Strategy of the Trump Administration.

In that sense, the new Commission is old wine in old bottles except that the bottles have been enlarged to include the militarization of other parts of the government, among them the departments of State, Treasury, Commerce, Homeland Security, and even Education.

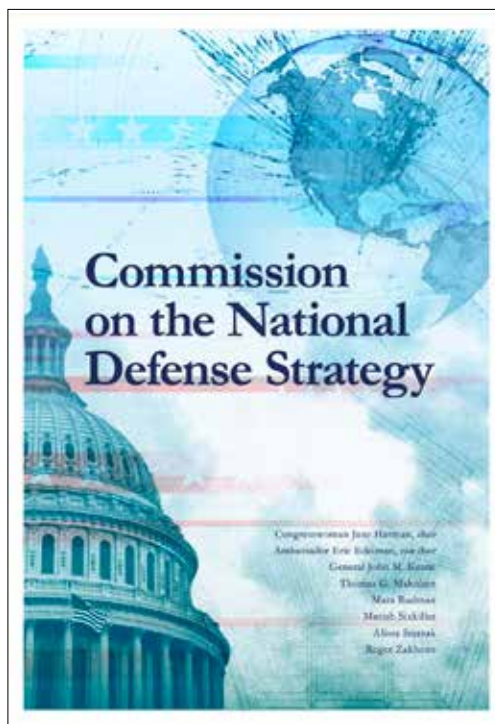
The Commission is made up of individuals with deep ties to different elements of the MICIMATT, the military, industrial, Congressional, intelligence,

academia, think-tank complex. It is chaired by former Congresswoman Jane Harman, who chaired the House Intelligence Committee and then led the Wilson Center in Washington, D.C. until 2021. Her co-chair is Eric Edelman, a neo-conservative who was a senior policy advisor to Vice-President Dick Cheney during the G.W. Bush Administration, and served in various positions in the Defense and State Departments. Another member of the Commission is retired Army Gen. Jack Keane, another neo-con with a long association with the American Enterprise Institute and its spinoff Institute for the Study of War.

The report that these “experts” produced, with its hysterical claims that America is unable to defend itself without a massive expansion of the national security establishment, is likely intended as a weapon against any

alternative policy that could actually provide a pathway out of the economic and strategic crisis. *Breaking Defense* noted in a [July 29 article](#) that is being waved around

as former Senate Armed Services Committee chairman Jim Inhofe regularly held up the 2018 version of the Commission’s report at hearings—by supporters on the Hill who seek increased defense spending...



Commission on the National Defense Strategy

The new report of the Commission on the National Defense Strategy calls for increased military spending to contain Russia and China, and austerity at home.

But Harman and Edelman write in the forward to the report:

We all agree that past warnings, however clear, have not succeeded in addressing our security shortfalls. Consequently, while some of our conclusions and recommendations are similar to those of past reports, we have also included recommendations to address the entire U.S. national security establishment.

We also address our report to the American public, who have been inadequately informed by government leaders of the threats to U.S. interests—including to people’s everyday lives—and what will be required to restore American global power and leadership. Public support is crucial to every recommendation we make: *additional spending necessary for security, increased levels of public and national service, and potentially even wartime mobilization.* The public have been galvanized before, but leaders need to make the case on a bipartisan and ongoing basis. [emphasis added]

Lastly, we underscore that very little progress will be possible without Congress, where a relatively small number of elected officials have imposed continual political gamesmanship over thoughtful and responsible legislating and oversight. Fights over the debt ceiling, government funding, spending caps, and hot-button social issues weaken our ability to manage strategic competition with our peer adversaries.



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Former House Intelligence Committee chairwoman Rep. Jane Harman (D-CA) chairs the Commission.

‘Costs Required To Prepare for War’

According to the report, all of this requires the complete militarization of the country, including the indoctrination of the American population into the notion that China and Russia are existential threats against which we must mobilize for war.

The U.S. public are largely unaware of the dangers the United States faces or the costs (financial and otherwise) re-

quired to adequately prepare. They do not appreciate the strength of China and its partnerships, or the ramifications to daily life if a conflict were to erupt. They are not anticipating disruptions to their power, water, or access to all the goods on

which they rely. They have not internalized the costs of the United States losing its position as a world superpower. A bipartisan “call to arms” is urgently needed so that the United States can make the major changes and significant investments now rather than wait for the next Pearl Harbor or 9/11. The support and resolve of the American public are indispensable.

The Commission proposes what it terms a “Multiple Theater Force Construct” for the U.S. military.

[The report] reflects the likelihood of simultaneous conflicts in multiple theaters because of the partnership of U.S. peer or near-peer adversaries, and incorporates the U.S. system of alliances and partnerships. This force construct, even with more capable allies, new



DoD/Sgt. Douglas J. Lovely, U.S. Army

Report co-chair Eric Edelman, a senior policy advisor to Vice President Dick Cheney in the G.W. Bush Administration

operational concepts, and better technology, will require a stronger and integrated innovation ecosystem and DIB [defense industrial base], as well as a larger Joint and Total Force.

In other words, forget the 35 trillion dollars Federal debt; the Commission demands a bigger military budget.

That is indeed one of the recommendations of the report. It reads:

Congress should pass a supplemental appropriation immediately to begin a multiyear investment in the national security innovation and industrial base. Funding should support U.S. allies at war; expand industrial capacity, including infrastructure for shipbuilding and the ability to surge munitions production; increase and accelerate military construction to expand and harden facilities in Asia; secure access to critical minerals; and invest in a digital and industrial workforce.

The report gives short shrift to the Federal debt, which, at \$35 trillion, has grown so huge as to threaten the solvency of the government itself. Raise the debt, and cut Social Security, Medicaid, Medicare:

The ballooning U.S. deficit also poses national security risks. Therefore, increased security spending should be accompanied by additional taxes and reforms to entitlement spending.

In other words, the preparation for war against Russia and China should be paid for by imposing austerity on a population already suffering from collapsing living standards brought on by more than 50 years of deindustrialization of the U.S. economy, and recent years of strong inflation.

That the U.S. military budget has already been growing like a cancer since 9/11 was underscored in a different report, issued by the Henry L. Stimson Center in Washington, D.C. on July 16. Pentagon spending has increased by 48% just since 2000 (adjusted for inflation), it said.

Today, the United States spends more money on defense than it did during the peaks of the Korea, Vietnam, and Cold Wars, even after ending the longest war in our history three years ago.

And noting Congressional efforts by the likes of Sen. Roger Wicker (R-Miss.) to increase military spending to 5% of GDP, the Stimson report said:

Setting arbitrary spending levels rather than crafting rational defense policies sets the U.S. on course to spend even more money on failed programs and ineffective strategies.

These points are not even acknowledged in the National Defense Commission report, which came out two weeks later.

The Real Cost: America's Deindustrialization

The National Defense Commission report demands that the United States needs an “all elements of national power” mobilization, bringing together “diplomacy, economic investment, cybersecurity, trade, education, industrial capacity, technical innovation, civic engagement and international cooperation.”

The United States can “only win a war” by strengthening NATO, AUKUS (Australia, UK, and United States), and its allies, and integrate “all elements of their power” into a unified effort. This must include “...swarms of attritable systems [inexpensive enough, and self-targeting, so that we can afford to lose many of them in combat—ed.], AI-enabled capabilities, hypersonics, electronic warfare, fully integrated cyber and space capabilities, and information warfare.”

Lastly, the Commission finds that the U.S. defense industrial base (DIB) is unable to meet any of these needs and develop innovative joint operational concepts. It further asserts that a World War II-like mobilization of the American economy is impossible. Therefore, it proposes that our “Allies” produce the war materiel, ships and ship repairs, while the United States provides the war-fighting technology.

The commission report deviates in no way from the definitions of China and Russia, and secondarily North Korea and Iran, as threats to U.S. interests—as expressed in earlier documents—except in the claim that conditions are worse than previously reported, and thus the level of alarm should be much greater. The report claims:

China is in fact outpacing U.S. defense production and growth in force size and, increasingly, in force capability, and is almost certain to con-

tinue to do so. China announced in March 2024, for example, that its defense budget would increase by 7.2 percent for the coming year.

China has the world's largest Navy, and we're told it's on a trajectory that will make it "a peer, if not superior, military competitor of the United States," a situation which has not existed since the height of the Cold War.

As a result, we are not confident that the U.S. military would succeed in a regional conflict against China.

But the growth of the PLA is not the report's only target. So are China's economic initiatives, including the Belt and Road Initiative:

The challenges posed by China's military in the Western Pacific distract attention from its integrated global initiatives to increase influence, economic and military ties, and the ability to project force. In so doing, China blurs the distinctions between kinetic and non-kinetic conflict and excels in using economic policy for national security ends. This effort includes the Belt and Road Initiative, investment and ownership of sea-ports, an overseas military base in Djibouti and efforts to expand elsewhere, and significant control over much of the world's existing supply of critical minerals.

The report complains:

China frequently provides aid and investment (often with crippling financing) to strategically located countries much faster and with less rigorous review than comparable U.S. aid programs. These blended economic and military efforts will make it more difficult for the United States to fight and win a conflict.

While China is "The pacing and global threat,"

Russia is "A chronic and reconstituting threat." It notes that the National Defense Strategy describes Russia as an "acute threat," but demands that this warning be intensified:

This term understates the threat from Russia by implying it is intense but limited in duration. The threat Russia poses is chronic—ongoing and persistent.

If Russia gains control over Ukraine, its border (including Belarus) with North Atlantic Treaty Organization (NATO) member states



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The Pentagon, headquarters of the U.S. Department of Defense, taken September 2018.

would stretch from the Arctic to the Black Sea, presenting significantly more demands for deployed NATO forces. Russia would be an emboldened and likely stronger power, requiring NATO to build and deploy additional forces, potentially at the expense of other locations where those resources could be applied. The only viable course of action is to increase the scale, capability, and freedom to use the materiel provided to Ukraine so that it can push Russia back.

Economic ‘Build-Up’ Needs Other Principles

This is simply a case of past NATO military spending increases demanding future NATO spending increases: In two decades, the “border of NATO member states” has moved 1,000 kilometers east, to Russia’s borders!

Both China and Russia have made numerous proposals to the United States for mutually beneficial cooperation, including on the aforementioned [Belt and Road Initiative](#), but America has rejected every one of them.

Should anybody expect any different result for America after spurning these offers of economic cooperation, than what the Soviet Union got for the same conduct a generation ago? America’s infrastructure and industrial base, culture, and labor force have been collapsing, per capita and per square mile, quantitatively and qualitatively, since the “Great Society’s” Vietnam War. We are attempting to accelerate a defense buildup on collapsing infrastructure and industry! It is only a matter of time before the Western financial system collapses.

The only policy under which recovery is possible is one based on [LaRouche’s Four Laws](#):

- Impose orderly bankruptcy reorganization for the banks and write off the \$3.7 trillion estimated in derivatives, through immediate reenactment of the Glass Steagall law [U.S. Banking Act of 1933] of President Franklin D Roosevelt; there is no physical way to pay off the debt!

- Create a national credit facility, like Hamilton’s First National Bank, to issue low-interest credit to expand industry, agriculture, and production;

- This credit must be used to increase the quality and quantity of productive employment, increasing the net rate of increase of energy-flux density of effective practice; and to launch a crash program to master and deploy fusion energy. This is urgent for mankind’s gain of power within the Solar System, and, later, beyond.

These policies will bring about reorganization of the financial and security architecture on the principles of the famous Treaty of Westphalia which, in the 17th Century, launched the creation of sovereign nation-states.

EIR Offprint Special Report Available

The Great Leap Backward: LaRouche Exposes the Green New Deal

Executive Intelligence Review has released this Special Report to warn of the extreme danger to mankind represented by the Green New Deal, also called “The Great Reset” by the leaders of the Davos World Economic Forum.

Already being implemented, this plan is taking over the direction of national economies from sovereign governments, using the power of central banks and the too-big-to-fail private financial institutions, cutting off credit to fossil fuel power generation and to industrial and agricultural enterprises claimed to emit too much carbon. Meanwhile it is creating a new huge bubble in the “sustainable fuel” sector, hoping to prop up the increasingly bankrupt financial system.

Stopping it by returning to a Hamiltonian American System credit policy, requires an understanding which is the purpose of this report.

EIR
Special Report

The Great Leap Backward LaRouche Exposes The Green New Deal



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