

Pentagon's effect on cities has been devastating



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In all the recent discussions of urban decay, especially since the Los Angeles riots, few have pointed their finger at the biggest looter of all — the Pentagon. For decades, the Pentagon has redlined most major American cities. The result: corporate flight, job loss and fiscal trauma.

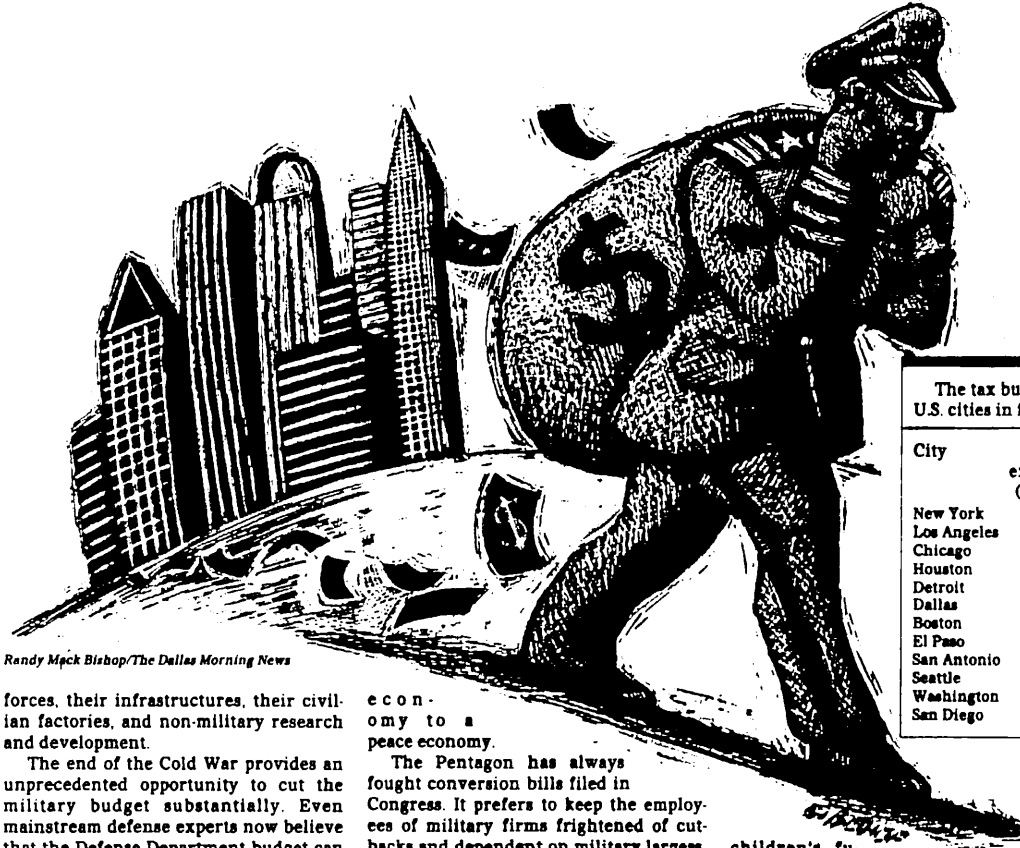
The \$1.3 billion Congress just passed for its emergency urban aid program pales in comparison to what the Pentagon drains from America's cities. The Defense Department saps that much just from New York City every eight weeks.

In 1990 alone, 18 out of the 25 largest cities suffered a total loss of \$24 billion in their balance of payments with the Pentagon. This means a net loss of funds. A new study by Employment Research Associations for the Boston Redevelopment Authority analyzed all of the money coming into each city in military contracts and salaries. It then compared this sum with the amount drained out of the city in federal taxes that went to the Pentagon.

The sums lost are enormous. New York City loses \$8.4 billion a year; Los Angeles, \$3.3 billion; Chicago, \$3.1 billion; Houston, \$1.7 billion; Dallas, \$731 million; and Detroit, already devastated by auto plant closures, over \$900 million a year.

The employment impact of this drain-off of funds is equally dramatic. New York's annual loss is about 250,000 full-time jobs; Los Angeles and Chicago each lose about 100,000 jobs; Houston over 50,000 jobs; Detroit, about 30,000 jobs; and Dallas, 22,000 jobs.

Americans understand that military contracts and payroll coming into an area mean jobs. The converse is also true. Money going out means jobs destroyed. But it is not a zero-sum game. The jobs lost in New York do not all show up in San Diego, which shows a net gain from Pentagon spending. Tens of billions of dollars are being spent overseas to subsidize the defense of Europe, Japan and other rich allies who no longer need it. While the U.S. is paying soldiers and building B-2s, our competitor nations are outperforming the U.S. because they are investing in their children, their work



Randy Mack Bishop/The Dallas Morning News

forces, their infrastructures, their civilian factories, and non-military research and development.

The end of the Cold War provides an unprecedented opportunity to cut the military budget substantially. Even mainstream defense experts now believe that the Defense Department budget can be cut by as much as \$150 billion a year in the next five years without hurting national security.

Earlier this year, Congress failed to tear down the federal budget wall between the military and domestic sections of the budget, guaranteeing that we will see no peace dividend this year. Why? Partly because of what we call the Pentagon NIMBY (not in my back yard) syndrome.

Sen. John Warner, R-Va., has used his clout to fund two expensive and unnecessary nuclear aircraft carriers built in his state's Newport News shipyard. But even many liberal members of Congress say: cut bases and contracts in someone else's district, not mine. Sen. Chris Dodd, D-Conn., facing re-election, successfully lobbied his Senate colleagues to vote to fund two Seawolf submarines (built in his state), which had already been cut by the administration. It was a perfect example of what happens when there is no game plan for converting America's war

economy to a peace economy.

The Pentagon has always fought conversion bills filed in Congress. It prefers to keep the employees of military firms frightened of cutbacks and dependent on military largess. As a result, many local officials, chambers of commerce, and affected trade unions fear the impact of Pentagon cuts in their communities.

The workers, firms and communities who have depended on military spending should not be the victims of the end of the Cold War. But the only way to guarantee that the peace dividend will be a win/win situation for all Americans is to link large-scale military budget cuts to large expenditures for critically needed domestic civilian programs. It will also require retooling plants, while retraining workers for these new jobs, and shifting research and development priorities to civilian uses. This combination of re-allocating our federal budget and planning for a civilian peace economy is the only way to alleviate the anxiety of military contractors and personnel so they stop blocking Pentagon budget cuts.

For decades, America has put its domestic needs on hold, allowed our cities to deteriorate, and mortgaged our

children's future, while feeding the Pentagon and the arms race. Investing the peace dividend in America's civilian economy will generate more jobs and do more to revitalize the economy than maintaining our military-industrial complex. Now we can repair our crumbling infrastructure, restore the American dream of homeownership, improve our educational system, and employ our talented engineers and scientists in improving our society.

An annual shift of \$150 billion out of the military into a mix of critical civilian goods and services would generate a net gain of about 1 million jobs.

Of the major presidential candidates, neither President Bush nor Ross Perot has addressed the need to make major cuts in the defense budget and put significant funds into a conversion plan. Only Arkansas Gov. Bill Clinton has something serious to say about conversion. He suggests \$100 billion annual savings from the defense budget within five

years, retraining defense workers while giving them an economic lifeline so they do not lose their houses or health benefits; a dollar-for-dollar transfer from military to civilian research and development; and a major investment in a 21st-century infrastructure, including high-speed rail.

At the dawn following the end of the Cold War, and in the wake of the riots in Los Angeles, reinvesting the peace dividend in America's cities should be the centerpiece of this year's presidential debate.

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The tax burden and expenditures of the Pentagon for selected U.S. cities in fiscal year 1990.

| City | Military expenditures (\$ millions) | Pentagon tax (\$ millions) | Net Gain or loss (\$ millions) | Net Gain or loss per family |
|-------------|-------------------------------------|----------------------------|--------------------------------|-----------------------------|
| New York | \$754.3 | \$9,133.8 | -\$8,379.5 | -\$3,600 |
| Los Angeles | \$1,472.7 | \$4,747.4 | -\$3,274.7 | -\$3,000 |
| Chicago | \$253.5 | \$3,355.9 | -\$3,102.4 | -\$3,500 |
| Houston | \$573.1 | \$2,343.0 | -\$1,769.9 | -\$3,400 |
| Detroit | \$60.3 | \$987.7 | -\$927.4 | -\$2,900 |
| Dallas | \$783.5 | \$1,514.8 | -\$731.3 | -\$2,300 |
| Boston | \$116.5 | \$798.3 | -\$681.8 | -\$3,800 |
| El Paso | \$566.2 | \$531.1 | +\$35.1 | +\$200 |
| San Antonio | \$1,443.9 | \$1,147.3 | +\$296.6 | +\$1,000 |
| Seattle | \$1,392.4 | \$812.3 | +\$580.1 | +\$3,500 |
| Washington | \$2,356.8 | \$862.0 | +\$1,494.8 | +\$7,800 |
| San Diego | \$5,544.8 | \$1,579.1 | +\$3,965.7 | +\$11,300 |