

REVEALED: The INSANE Money Spent On War Contractors | Harry Berger & William Hartung

As the US provides Israel with billions of dollars and deploys its military in Yemen on behalf of that foreign government, the total cost of supporting Israel continues to rise. But how much have Americans forked over to that foreign government so far? At the same time, the Trump administration has promised to use DOGE to take on government spending, of which military expenditures represent 60%. Last month, Trump said that he would cut the Pentagon budget in half. But has that really happened? To help answer these questions, independent journalist Harrison Berger is joined by the Quincy Institute for Responsible Statecraft's William Hartung. Check out the cost of war project: <https://watson.brown.edu/costsofwar/costs/economic>

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As the United States continues to send billions of dollars to Israel and deploy its military on behalf of that foreign government, the total amount spent on that country continues to grow daily. At the same time, Trump and others promise to take on military spending. Last month, Trump said he would cut the military budget in half. But has any of that happened yet? To understand all this, I speak with William Hartung, a senior research fellow at the Quincy Institute for Responsible Statecraft, where he specializes in the arms industry, U.S. military budget, and national security policy. And he's my guest today. Thank you so much for doing this. Thank you for coming today. Yeah, glad to do it. I want to start with Israel.

You co-authored a highly circulated report for Brown University's Cost of War Project late last year, which documented the financial sums that American taxpayers have given to and spent on Israel in the single-year period following October 7th. At that time, the total, which includes the cost of U.S. military deployments on behalf of that foreign government, was at least \$22.76 billion. And you say "at least" because it's difficult to find out the true total due to all sorts of bureaucratic maneuvering by the Biden administration, which concealed those numbers. Well, that was five months ago. Since then, the U.S. has announced many billions more spent on Israel and has continued to bomb Yemen on behalf of that country as well. How much do you estimate Americans have spent on Israel from October 7th to today?

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It's hard to gauge. I mean, certainly, it's conceivably another \$5 or \$10 billion. A lot of it is the military operations by U.S. troops in the region. Some of the arms have been offered but not

delivered yet, and eventually, they will undoubtedly be paid with U.S. tax dollars. But the money's not flowing yet. Certainly, there's been about \$30 billion in arms offers to Israel since the start of the Gaza war, and \$8 billion are under consideration right now. Senator Sanders is trying to block them. So there's the money, the stuff that we've paid already, and this essentially is mortgaging the future because they're offering the weapons before the tax dollars have come to pay for them.

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And what sort of bureaucratic maneuvering are you referring to in your report that makes it much more difficult to find out the true total? Can you give us some examples?

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Yeah, well, probably the biggest thing the Biden administration did was there's a certain value of a deal that has to be reported to Congress. So they chopped up the deal so they'd be below that threshold, and they didn't have to tell Congress. The Washington Post got word of it, and essentially they had made, you know, 100 arms deals with Israel over the first five or six months of the war, none of which had been reported to Congress. And then they have various storehouses of weapons, including one in Israel, where they can transfer weapons from that.

And they don't often report immediately when they've done that. And then there's also things like gun sales, which are very hard to track. So although in a strange way, the U.S. system is a little more open than some other countries, the things you really want to know are hard to find out, like when was it delivered? How are the weapons being used? That's a job mostly for journalists, human rights people on the ground, and so forth. The U.S. government barely keeps track. And when they do, they don't share that information with the public.

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So you've been following the military-industrial complex for a long time. And just to show our audience how long you've been studying this, defense contractors have basically been mooching off the tax base. I want to point to an article that you wrote for the Cato Institute in 1999. It's called "Corporate Welfare for Weapons Makers: The Hidden Costs of Spending on Defense and Foreign Aid." First, can you just explain what the corporate welfare state is and how it has evolved, especially in the last 25 years?

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Well, there are huge subsidies to the big weapons contractors, often to build weapons that are not making anybody safer, but rather sparking and accelerating conflict. Back then, one of the things I looked at was that arms sales are often paid for with U.S. tax dollars. There are multiple different ways that they do it. They often sell arms sales as some sort of economic benefit, but in fact, most

of our foreign aid goes back to the big companies. For example, when Israel buys from Lockheed Martin, our foreign aid to Israel goes back to them. So in addition to what the Pentagon sells, a lot of the arms sales are also paid for by taxpayers.

But I did a report for the Brown Cost of War Project around the 20th anniversary of 9/11. It ends up that contractors had received \$7 trillion from the U.S. government over those 20 years. And \$2 trillion went to just five companies: Lockheed Martin, Boeing, Northrop Grumman, General Dynamics, and Raytheon, which now calls itself RTX. So just huge chunks of our tax dollars go to these companies. They use some of it to pay their executives \$20 million a year or to bid up their own stock prices. Then they claim they need more when they're not even spending the money they're being given on the projects they're supposed to be doing.

So I don't think people realize just the amount of dollars that go to these companies and the influence it gives them. Usually, when they lobby for the Pentagon budget, they say it's for the troops. But actually, more money goes to private companies than to support the troops. And they're not necessarily the ones pushing war. There are all kinds of hawks and neocons. So they're interrelated with the industry, but the execs are not on the front line, except for this new breed of militarists out of Silicon Valley, like Elon Musk and Peter Thiel. They actually are much more vocal about their weapons helping us beat China.

They'll restore U.S. military primacy. They're much more vocally hawkish and kind of have a chip on their shoulder, thinking they're the ones who can solve the world's problems if only the government would get out of the way. Whereas the head of Lockheed Martin is a little more buttoned down, works with both parties, and cashes the checks when they come. But he would never do what Palantir did; they had a board meeting in Israel during the Gaza war to show their support. So this new breed of militarists that's kind of on the scene and is very embedded in the Trump administration, I would say, is in some ways more dangerous even than the prior iteration.

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Right. And Palantir, which is the company founded by Peter Thiel and Alex Karp, reportedly supplies Israel with AI tools to do the targeting in Gaza. You've written about Palantir before, and you've compared their ideas to plans in the 1980s, such as the Star Wars program. What is it about those interests that are so concerning to you?

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Well, there's this notion that seems hard to put to rest that military technology will save us. Going back to Vietnam, they had this thing called the electronic battlefield, which allegedly was going to find Viet Cong fighters in the jungle, target them, and so forth. The Viet Cong came up with very simple countermeasures, and they had to junk the whole system. Then Reagan said, oh, we're going to have this impenetrable shield, Star Wars, that'll protect us from any kind of missile coming from

anywhere. It turns out that wasn't possible. Edward Teller, the father of the H-bomb, even had this idea that you could put lasers in space that would zap the incoming missiles.

And the physics just didn't work. But in the meantime, Time magazine put an artist's representation of that system on their cover, and I think a lot of people thought it was feasible. In fact, they've spent probably hundreds of billions of dollars on this idea of an impenetrable shield to no good effect. And now, you know, Trump is basically doubling down on that with this idea of the Golden Dome, which is more of a catchphrase than an actual thought-out weapon system. And then finally, they had this notion of the revolution in military affairs. We were going to have more precision weapons, better communications. We were basically going to run circles around our adversaries because we had better surveillance and so forth.

But the kind of wars they were fighting in Iraq and Afghanistan, that was not decisive. It harmed a lot of people, but it didn't overcome people who knew the local terrain, had different morale, different, you know, approaches. They used things like improvised explosive devices, which are kind of simple countermeasures. So almost every time they've said, oh, yeah, this technology is going to make the difference, it ends up human factors, social factors, political factors kind of get in the way of that notion that that's going to happen. And the Silicon Valley folks now are selling that same kind of argument. And I think it's going to have the same result, you know.

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I want to go back to your article from 1999 in the Cato Institute because I think that so many of the themes you explore continue to be relevant today. You navigate through the billions of dollars that defense contractors received from the American government at the time and explain the cesspool of lobbying interests driving foreign military sales. One aspect you allude to is the role of arms industry executives like Bruce Jackson, who was a vice president at Lockheed Martin. While Jackson was an executive at Lockheed Martin, he was also the president of the highly influential U.S. Committee to Expand NATO. And so that kind of incestuous relationship between American foreign policy and defense contractor interests obviously continues today. I mean, our last defense secretary was a Raytheon executive. How influential have these defense executives been in influencing U.S. foreign policy? And does the amount of influence those defense contractors have change whether or not a Republican or Democrat is president?

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Well, they're almost embedded in the policymaking process because you have major industry executives going into policymaking positions in government. You have government officials going to lobby for these companies and kind of twisting the arms of their old colleagues to give them a good deal. You've got people tied to industry serving on government commissions that shape policies. You've got them funding think tanks that help set the debate in Washington. So I would say their influence is as great or greater than when I was writing back then, especially with their kind of PR

strategy of standing at one remove, at least the big companies, letting these hawkish think tanks make the case.

Because the head of Lockheed Martin saying, "Let's have a war," is not a good look. Although I guess the Silicon Valley folks didn't get the memo because they are quite open in their approach to bragging about the way their weapons are used, be it in Ukraine, Israel, or in a potential war with China. The industry now has about 900 lobbyists—not quite two for every member of Congress, but, you know, some members will say their staffers spend a good quarter of their time just fending off industry lobbyists who can say, "Well, you know, A, we gave a contribution to your boss. B, we're employing this person that used to work with you all."

And C, we have a plan in your state that creates X number of jobs. So sometimes even fairly liberal members will vote for stuff just because they don't want to be perceived as voting against jobs for their constituents. So that's how they kind of work both parties. I mean, Joe Biden, who came in saying, you know, Saudi Arabia should be a pariah, ended up selling to them, trying to cut this deal. The Abraham Accords really, you know, followed up on Trump's idea and ended up essentially going back to business as usual with the Saudis. You know, Trump, of course, his first foreign trip was to Saudi Arabia. He sort of lavished them with weapons.

He even wouldn't back off after they killed Jamal Khashoggi. He said, well, I don't want to hurt our wonderful country defense contractors. And of course, it was Biden who started calling our industry the arsenal of democracy during the Ukraine war, sort of ignoring all the dictatorships and aggressor nations that we were arming at the same time. So unfortunately, we ended up in similar places with both parties. I think it's partly just the money and the lobbying power, and partly it's the narrative that, you know, somehow more is better. You know, if America is not, you know, the sheriff, all these countries are going to misbehave themselves.

And wouldn't you rather have America setting the rules than China and so forth? But that presumes that America is following the rules, which, of course, we're not. I mean, anybody who is selling that policy of enabling slaughter in Gaza, who turns around and talks about a rules-based order, should be laughed out of town. I mean, they have no credibility anymore. But unfortunately, in our system, it doesn't always work that way. A lot of the advocates of the Iraq war are now respected pundits. There's a short memory, and Washington has a very narrow worldview that needs to be, I think, busted open if we're going to roll back some of this waste of money and these aggressive policies.

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Right. And, you know, the promise of the Trump administration was to end these wars, to use Dodge to rein in discretionary spending, of which military expenditures are about 60%. And for a moment, it looked like some of that might happen. Trump said he was going to cut the Pentagon budget in half last month. But that hasn't happened yet. Instead, Congress is trying to add \$100 billion to the Pentagon budget. And really, I think adding billions of dollars to the Pentagon budget is

something like a religious practice in Congress. It's kind of an annual event. But how would you compare Trump's promise to take on the corporate welfare state for defense contractors with what he and Dodge have actually done so far?

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Well, it's interesting. You know, Trump has also said, well, nuclear weapons are expensive and dangerous. And let's talk to China and Russia about getting rid of them. And, you know, people have invested some hope in that. But my interpretation is some of his base is also sick of the wars and also doesn't trust these corporations. And this was like a rhetorical argument, a bone he threw to them. But his actual practice is usually to cozy up to the contractors. I mean, Musk himself gets substantial money from the Pentagon and will get more. And yet he's in charge of looking at the Pentagon budget. There was a Washington Post article that kind of misinterpreted what they were doing and said they were going to cut it 8% a year, five years running.

Ends up what they actually were going to do is try to save 8% in certain departments of the Pentagon, spend it on different weapons, not lower the top line, just move the money around. And then, of course, as you said, Congress will add on top of that. And I think the whole idea that this is about efficiency is a kind of thin cover story. I mean, they're basically taking a wrecking ball to most of the civilian government and leaving the Pentagon untouched. And if they were about efficiency, theoretically, they would be like, well, which program works, which doesn't. They wouldn't take the main aid agency of the U.S. government, go from 10,000 employees to 300 in a matter of months. So it's really, to some degree, an ideological attack on the foundations of civilian government and democracy under the guise of efficiency.

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Well, it was really a pleasure to speak with you today and to get your insights. Where should people go if they want to support your work?

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Well, the Quincy Institute website has a lot of my work on it. It's just quincyinst.org. I also write for Forbes and TomDispatch. Most of my new stuff will turn up if you Google my name. The only other thing is you might get an Australian rugby player, but normally you'll get my stuff. And, you know, I do tend to repeat myself, so I wouldn't recommend people read all of it. But, you know, I have opinions about this stuff. Usually, there's some facts involved, too.