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Jessica Burt, Development Intern; editing
The Nuclear Policy Research Institute was established to educate the American public through the mass media about the greatest single threat to our country's -- and indeed the world's -- public health, namely the profound medical, environmental, political and moral consequences of perpetuating nuclear weapons, power and waste. Dr. Helen Caldicott is the President of NPRI. NPRI seeks to create a consensus of commitment to end the nuclear age by mounting public education campaigns, establishing a pervasive presence in the mainstream media, and by sponsoring high-profile symposia.

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Introduction

Though defense policy in the United States has been changing at a rapid pace since the end of the Cold War, the nuclear threat has not decreased despite public and media perception to the contrary. With thousands of nuclear weapons in both the United States and Russia still on alert, the continued risk of accidental, terrorist, or deliberate use of these weapons continues to threaten the populations of both countries, as well as the rest of the world: “Russia is no longer our enemy, and we have an opportunity that continues to knock at the door to stand down these hair-trigger postures.”

Some in the defense community and the U.S. government recognized the opportunity that the end of the Cold War presented for bilateral reduction of the U.S. and Russian nuclear arsenals. President George H. W. Bush did order the decommissioning of some nuclear weapons, and George W. Bush, in May 2002, signed the Strategic Offensive Reduction Treaty, however the opportunity for the elimination of nuclear weapons has been seized neither by the Clinton nor either Bush administration.

The current administration under President George W. Bush has defined significant changes in U.S. defense policy, focusing on terrorism in the post–September 11 world. In the time since September 11, the United States has engaged in two major wars (in Iraq and Afghanistan) and deployed troops all over the world. The forces of the United States military are located in nearly 130 countries around the world, performing a variety of duties, from combat operations to peacekeeping to training with foreign militaries. The administration continues its multi-billion dollar National Missile Defense initiative and is spending substantial sums of money on research and development of new nuclear weapons designs. The United States Congress for FY05 provided $401.7 billion for the Department's base budget, an annual increase of seven percent, for a total increase in defense spending of 35 percent since 2001. The United States is also taking an adversarial position with regard to nations that pose a threat of obtaining nuclear weapons or other weapons of mass destruction.

This report reviews the political, intellectual, and strategic roots of the current United States defense policy. Much of the defense policy implemented by the Bush administration was defined in a single report issued in 1998 by the Project for the New American Century (PNAC). This report was titled Rebuilding America’s Defenses. According to William Kristol, PNAC chairman, “The [members of the] Project for the New American Century, and many other people, [including] Wolfowitz way back in 1992, had articulated chunks and parts of what later became the ‘Bush Doctrine’.”

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1 Bruce Blair, “The Strategic Nuclear Arsenal and the Dangers of Terrorism” (lecture, Three Minutes to Midnight: The Impending Threat of Nuclear War, Washington, DC, January 25, 2004).
Among other things, many of the changes seen in U.S. defense policy of the last several years moves the world much further away from disarmament than we were a decade ago. It is therefore important to understand how this policy was adopted, what caused the implementation of the current policy, and how this will affect the people of the United States and the world in the future.

**What is the Project for the New American Century?**

The Project for the New American Century was created in the spring of 1997 to promote American global leadership. This educational nonprofit organization was, and is, comprised of members with positions in former and current government administrations, as well as individuals with strong ties to the defense industry. Many served in defense-related positions under Presidents Ronald Reagan and George H. W. Bush. Also central to the PNAC are former CEOs or advisory board members for defense companies such as Halliburton and Northrop Grumman.

The nonprofit group was formed during the Clinton presidency and began to outline recommended international policies for the United States. The PNAC’s original statement of principles, written in 1997, said, “We need to increase defense spending significantly if we are to carry out our global responsibilities today and modernize our armed forces for the future; we need to strengthen our ties to democratic allies and to challenge regimes hostile to our interests and values; we need to promote the cause of political and economic freedom abroad; we need to accept responsibility for America’s unique role in preserving and extending an international order friendly to our security, our prosperity, and our principles.”

Like many Washington-based think tanks, the PNAC writes reports about U.S. foreign policy in an effort to influence the direction of official government policy. The PNAC recommended a “revolution in military affairs,” which consisted of transforming United States defense policy to project American power in the areas of our allies and adversaries in order to protect the security and the economic resources of the United States from potential threats. This proposed transformation consisted not only of increasing defense spending in general, but also of resuming nuclear testing and maintaining U.S. nuclear superiority, deploying an Anti-Ballistic Missile System, and militarizing the international commons of space and cyberspace.

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Who is the PNAC?

Richard Cheney: Vice President of the United States


Richard Armitage: Deputy Secretary of State


Donald Rumsfeld: Secretary of Defense

Previous Service: Special presidential envoy to the Middle East (1983–1984) in the interests of constructing a pipeline through the region, Coordinator of White House Staff in the Ford administration, Secretary of Defense under President Gerald Ford in 1975, U.S. Representative from Illinois (1962–1969). He also helped Richard Cheney secure a position as Chief of Staff in the Ford administration as Coordinator of the White House Staff.


Paul Wolfowitz: Deputy Secretary of Defense

Previous Service: Under Secretary of Defense for Policy (1989–1993) and worked with then–Defense Secretary Dick Cheney in reshaping U.S. defense strategy after the Cold War as well as strategic planning of the Gulf War.¹

Richard Perle: Former Chairman of the Defense Policy Board

Resigned due to a conflict of interest in 2003. The Defense Policy Board serves the public interest, by providing the Secretary of Defense, Deputy Secretary and Under Secretary for Policy with independent, informed advice and opinion concerning major matters of defense policy.²


Private sector jobs: Former CEO for Hollinger International Inc. starting in 1993, which owns more than 400 newspaper publications worldwide. At the same time that he was serving on the Defense Policy Board, Richard Perle was also a managing partner at Trireme Partners L.P., a company that invests in firms dealing in technology, goods, and services that are of value to homeland security and defense.1

Stephen Cambone: Under Secretary of Defense for Intelligence, a position that was created by Secretary of Defense Donald Rumsfeld


The PNAC Board and the Defense Industry: Businessmen Barry Watts, Abram Shulsky, and James Lasswell, who were affiliated with Northrop Grumman: the RAND Corporation, and the GAMA Corporation, respectively; board members of the PNAC.

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Defense Planning Guidance

In 1992, an internal set of military guidelines, which is typically revised every few years by the Defense Department, was drafted by then–Under Secretary of Defense Paul Wolfowitz, titled the Defense Planning Guidance. Circulated among the highest levels of Pentagon leaders, it was leaked to the New York Times and the Washington Post and sparked debate due to the forceful strategies it proposed. It stated that the number-one objective of the United States’ post–Cold War political and military strategy should be the prevention of the emergence of a rival superpower. Therefore the United States was to “prevent any hostile power from dominating a region whose resources would, under consolidated control, be sufficient to generate global power.” It also outlined various possible security scenarios such as “access to vital materials, primarily Persian Gulf oil; proliferation of weapons of mass destruction and ballistic missiles”; and “threats to U.S. citizens from terrorism or regional or local conflicts.” It also said that the United States “should be postured to act independently when collective action cannot be orchestrated.”

Due to the controversy caused by the leaking of the classified document, specifically the policies aimed at preventing the emergence of a rival superpower, the first Bush administration requested that Secretary of Defense Dick Cheney rewrite the document.

Rebuilding America’s Defenses

In September 2000, the Project for the New American Century issued a 76-page report titled Rebuilding America’s Defenses: Strategy, Forces, and Resources for a New Century. This report built upon “the defense strategy outlined by the Cheney Defense Department in the waning days of the Bush [H. W.] administration” and called for many of the same political and military policies as the Defense Planning Guidance. It stated that the United States is now the sole world superpower and recommended the nation “aim to preserve and extend this advantageous position as far into the future as possible” and noted that there are “potentially powerful states dissatisfied with the current situation [U.S. preeminence] and eager to change it,” obligating the United States to actively shape “an international security environment conducive to American interests and ideals.”

The report specified four core missions for the U.S military: defending the American homeland, fighting and winning simultaneous major wars, shaping the security environment in critical regions, and transforming the military to exploit the “revolution in military affairs.”

The report recommended:

- increasing defense spending in general to rebuild U.S. armed forces;

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• maintaining U.S. nuclear superiority;
• deploying an Anti-Ballistic Missile System;
• discarding the ABM Treaty;
• gaining military control over the “international commons” of space and cyberspace.

It identified possible security dilemmas in the Middle East, “given our long-standing interest in the region,” and North Korea. The report also suggested increasing pay and improving the housing for members of the U.S. military in order to increase enlistment rates and retain troops. However, the PNAC members who wrote the report predicted that this process of transformation “is likely to be a long one, absent some catastrophic and catalyzing event—like a new Pearl Harbor.”

The 2001 Quadrennial Defense Review

On September 30, 2001, the Pentagon issued its Quadrennial Defense Review. With key Department of Defense positions by the authors of the PNAC’s Rebuilding America’s Defenses (see Appendix A), the Quadrennial Defense Review directly echoed the themes and strategies outlined in Rebuilding America’s Defenses. The Review switched from the traditional “threat-based” model of defense planning to a “capabilities-based” model, which focuses on how an adversary might fight rather than whom the adversary might be.

According to the Review, this requires that the United States “maintain its military advantages in key areas while it develops new areas of military advantage and denies asymmetric advantages to adversaries” and “transform U.S. forces, capabilities, and institutions to extend America’s asymmetric advantages well into the future.”

Like the 1992 military-produced Defense Planning Guidance and independently-produced Rebuilding America’s Defenses, the Quadrennial Defense Review asserted that the United States “is likely to be challenged by adversaries” who may use asymmetric warfare, “particularly weapons of mass destruction.” Among its primary goals were ensuring U.S. security and the safety of U.S. citizens at home and abroad; honoring international commitments and precluding hostile domination in particular areas; contributing to economic well-being, including security of international sea, air, and space; and maintaining information lines of communication and access to key markets and strategic sources. These broad goals are not substantially new, but the strategies for achievement were.

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The *Review* recommended “peacetime forward deterrence,” forward deployment and the gaining of military access to regions where it is currently denied. It also aimed to “swiftly defeat aggression in overlapping major conflicts” and to conduct smaller-scale contingency operations. It specifically identified the Middle East as an area of critical concern due to the fact that the United States will “continue to depend on the energy resources” in such an area where “several states pose conventional military challenges and may seek to acquire or have acquired” weapons of mass destruction. The *Review* also asserted that the Unites States’ ability to create alliances “will be critically important” in the war on terrorism. Similar to *Rebuilding America’s Defenses*, the *Review* wanted to utilize technology to quicken the “ongoing revolution in military affairs” and address the threat of “potential competitions” in “space and cyberspace.” It asserts that the “quality of life in the military is critical to retaining a Service member and his or her family.”\(^1\) The foreword to the *Quadrennial Defense Review*, which was written by Secretary of Defense Donald Rumsfeld and addresses the September 11 events, states that “these attacks confirm the strategic direction and planning principles that resulted from this review.”

**Nuclear Policy**

Through the report, the authors defined a defense policy that re-engaged and strengthened nuclear weapons programs. These policies are currently being implemented by PNAC members in the administration of President George W. Bush. This is how the current Bush administration has implemented aggressive, pro-nuclear policies defined by the PNAC in *Rebuilding America’s Defenses*.

One of the primary objectives outlined in *Rebuilding America’s Defenses* was for the United States to maintain strategic nuclear superiority. It intended to use the United States’ deterrents not only for a “U.S.–Russia balance” but also on a global scale that takes into account emerging nuclear threats, specifically Iran, Iraq and North Korea.\(^2\)

President Bush proposed $19.3 billion in the 2004 budget for the nuclear weapons functions of the Department of Energy.\(^3\) Under the *Nuclear Posture Review*, which outlined the administration’s policies regarding nuclear weapons, the United States planned to integrate both nuclear and non-nuclear weapons for strategic purposes.\(^4\) With its current nuclear doctrine, the United States now pursues new nuclear weapons programs and nuclear testing, as well as deploying a ballistic missile defense system, which required withdrawal from the Anti-Ballistic Missile Treaty.


Non-Proliferation and Disarmament

*Rebuilding America’s Defenses* dismissed nuclear non-proliferation, reasoning that “it is precisely because we [the United States] have such power that smaller adversarial states, looking for an equalized advantage, are determined to acquire their own weapons of mass destruction.” It goes on to say that “the reality of today’s world is that there is no magic wand with which to eliminate weapons [. . .] and that deterring their use requires a reliable and dominant U.S. nuclear capability.”

Nuclear disarmament, a policy that has been constant since 1972 when President Nixon and Russian Secretary General Brezhnev signed the Strategic Arms Limitations Talks, did not have a place in U.S. foreign policy under the guidelines of the PNAC report.

The *Quadrennial Defense Review*, drafted by the Department of Defense under the George W. Bush administration, also called for the buildup of nuclear weapons, stating that the United States “is likely to be challenged by adversaries who possess a wide range of capabilities, including asymmetric approaches to warfare, particularly weapons of mass destruction.”

**Strategic Offensive Reduction Treaty**

It should be noted that there has been one positive development in the reduction of nuclear weapons during the administration of George W. Bush. The Strategic Offensive Reduction Treaty (SORT), signed by the United States and Russia in May 2002, limited both sides to between 1,700 and 2,200 strategic nuclear weapons by 2012. While this treaty was an important step toward the reduction and elimination of nuclear weapons, critics note that because it requires that the weapons are simply removed, rather than disassembled, it does not reduce the overall number of warheads either country maintains. Furthermore, the treaty does not need to be implemented until 2012 and can be invalidated by a country with only 90 days notice. In addition, simulated tests have shown that 1,700 nuclear weapons bilaterally are still enough for mutually assured destruction of both U.S. and Russian targets.

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Weakening International Treaties

Comprehensive Test Ban Treaty

Rebuilding America’s Defenses advocated re-innovating and rearming the United States’ nuclear program. Past administrations have shied away from this because of international agreements that prevent nuclear testing such as the Comprehensive Test Ban Treaty (CTBT) signed by President Clinton in 1996. While never ratified by Congress, the United States, France, China, India, and Pakistan have abided by the treaty, and Russia has ratified it.¹

Rebuilding America’s Defenses outlined the PNAC’s opposition to the CTBT, claiming its “principal effect would be to constrain America’s new unique role.”² It went on to say that in order for the United States to keep its deterrent force, it needed to conduct new nuclear testing.

Implementing this policy, the Bush administration has not resubmitted the CTBT to the Senate for ratifications, despite overwhelming public support for the test ban.³ Because U.S. ratification is needed for the treaty to gain validity, the rejection by the Senate in 1999 will likely result in the CTBT never being globally enforced.⁴

Nuclear Non-Proliferation Treaty

The Departments of Defense and Energy have also advocated the development of new nuclear weapons. In its new nuclear strategy, the Department of Defense chose to integrate nuclear and non-nuclear weapons into its offensive and defensive strategies. The United States has stated that it is developing the new nuclear programs to deter and possibly retaliate against a biological or chemical attack.⁵ If the United States chose to act on this policy, it would violate the 1978 Nuclear Non-Proliferation Treaty (NPT), in which it pledged to never attack a non-nuclear state.

New Nuclear Weapons

Mini-Nukes and Bunker Busters

The United States has not developed a new nuclear weapon since 1988 and has not conducted a nuclear test since 1992.⁶ Now, for the first time in over a decade, the United States is planning to develop new nuclear weapons.

Rebuilding America’s Defenses suggested developing a “new family” of nuclear weapons, such as “bunker busters,” which are designed to penetrate targets buried underground. The report claims that these new weapons will be helpful in targeting our potential adversaries.¹

The Nuclear Posture Review, drafted by the United States in 2002, recommended the development of “more accurate” mini-nukes to destroy deeply buried targets. Subsequently, the Bush administration has asked Congress to repeal a 1994 law banning research that could lead to the development and testing of such nuclear warheads. These new “mini-nukes” would yield an explosion roughly one-third the size of the nuclear bomb dropped on Hiroshima, Japan.² The current administration has argued that it needs these “mini-nukes” to deter rogue regimes that may have chemical, biological or nuclear weapons.

Like “mini-nukes,” “bunker busters” are designed to penetrate the ground and are meant for use against command and control centers, as well as chemical and biological facilities. The “bunker buster” is designed to ignite a thermocorrosive filling that can maintain high temperatures in order to sterilize toxins and biological agents without dispersing them into the environment.³

These new “low-yield” nuclear weapons are promoted as being more accurate, as well as reducing the number of casualties and the effects of radiation, because they penetrate and explode underground. Some studies suggest however that in order to contain a five-kiloton explosion, the weapon would need to penetrate 200 meters or more, which cannot be done with current technologies.⁴ Critics note that creating smaller nukes lowers the overall threshold for using nuclear weapons, thus making it easier to justify their use.

Ballistic Missile Defense

Rebuilding America’s Defenses defined the threat of ballistic missiles carrying nuclear warheads or biological or chemical weapons as one of the greatest risks to U.S. national security. It stated that a system “must” be constructed to protect the United States, its allies, and forward-deployed forces. It advocated a new system which “must be a layered system of land-, sea-, air-, and space-based components.”⁵

This emphasis on missile defense became a major component of the new administration’s national security strategy in 2001. According to some critics, the focus on missile defense was to the exclusion of terrorism and other threats.

The Department of Defense advocates a system designed to counter potential threats to the United States, its allies, and its forces abroad, shifting from a single-site “national” missile defense to a “broad-based research, development, and testing effort aimed at deployment of layered missile defenses.”\(^1\) In December 2002 the Bush administration announced it would deploy the first phase of the system in Alaska by the 2004 presidential election.\(^2\) The Defense Department has requested $9.1 billion for this project.\(^3\) Critics of the missile defense system are concerned not only with its high cost, but also with its poor performance during testing and its basic “technical infeasibility.” The new system has not completed developmental or operational tests under realistic combat conditions and it is incapable of dealing with decoys or counter measures. Estimates indicate that through the next five years to two decades, the United States will spend over $50 billion on missile defense.\(^4\)

**Anti-Ballistic Missile Treaty**

Critics point out that building a multi-layered missile defense system would require withdrawal from the Anti-Ballistic Missile Treaty, signed by the United States and Russia in 1972, which prevents either side from developing a nation-wide missile defense program.\(^5\) In the past, the United States has been reluctant to deploy such a system because of this treaty and has therefore favored more limited theater missile defense systems. *Rebuilding America’s Defenses* asserts that the ABM Treaty has “frustrated” the development of ballistic missile defenses, stating that building such a system is a “prerequisite for maintaining American preeminence.”\(^6\) The United States gave its required six-month notice of withdrawal from the ABM Treaty on December 13, 2001, and formally withdrew on June 13, 2002.

The Russian government immediately retaliated by withdrawal from the START II treaty on June 14, 2002.\(^7\) These actions are especially disturbing in the post–Cold War environment in which Russia and the United States are allegedly allies and friends.

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\(^2\) Union of Concerned Scientists, “Global Security: Missile Defense,”  
http://www.fas.org/nuke/control/abmt/text/abm2.htm  
Control of Space

*Rebuilding America’s Defenses* framed a nexus of military and space as inseparable and asserted that the U.S. armed forces are “uniquely dependent upon space.” It cited space control as necessary for surveillance and communications as well as for deploying a missile defense system. The report claims that adversaries are increasingly gaining on the United States in command of this area and that “it would be intolerable for U.S. forces [. . .] to be deprived of capabilities in space.” The report went so far as to posit that one of the greatest hurdles for military control of space is the National Aeronautics and Space Administration (NASA). Describing this as an “institutional problem,” it views the “dominance of NASA programs over the past decades” as hindering the development of further space capabilities. As a solution to the problem, it suggests replacing U.S. Space Command with U.S. Space Forces, which would be a separate entity under the Department of Defense, similar to the current Army and Navy Departments.¹

Once again influenced by *Rebuilding America’s Defenses*, the *Quadrennial Defense Review* highlighted the special attention the Department of Defense plans to pay to technology, communication, and surveillance in attempting to maintain America’s preeminence in the “emergence of new arenas of competition.” It stated that “space control” will be crucial to fighting future wars: “In addition to exploiting space for their own purposes, future adversaries will also likely seek to deny U.S. forces unimpeded access to space.” The *Review* also stated that “a key objective” of transformation is to “not only ensure the U.S. ability to exploit space for military purposes” but also to deny an adversary the ability to do so.

Control of Cyberspace

The PNAC described a new coming conflict over the control of free-flowing information on the Internet as a “Net War.” It predicted that the United States will be challenged for control of this area by adversaries and describes this new area of security as “the truly revolutionary potential inherent in the notion of military transformation.”² The report also recognized that government control of the Internet poses a “moral” conflict.

The *Quadrennial Defense Review*, put out by the Department of Defense, stated that one of the key interests of the United States was to secure not only sea, air and space, but also “information lines of communication.”³ New legislation after September 11, such as the Patriot Act, which expands the government’s capability to monitor the activities of citizens, among them Internet and e-mail, has raised questions for some regarding the First Amendment and other civil liberties.

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Reshaping Military Policy

*Rebuilding America’s Defenses* describes a need for a new policy for dealing with threats to the United States of America, designed to keep enemies out of The United States at all costs. The report proposes to achieve this by moving troops outside the United States in order to create a first line of defense between The United States and potential threats. In 1998, there were many troops stationed in areas such as Bosnia, South Korea, and other bases. The PNAC’s report, however, proposed a theory of preemptive military action to subdue threats before they have a chance to inflict any serious damage to the United States or its allies.

The report proposes preemptive warfare against hostile regimes in an attempt to secure American preeminence: “Preeminence will continue to rest in significant part on the ability to maintain sufficient land forces to achieve political goals, such as removing a dangerous and hostile regime when necessary.”

The current administration adopted this idea in the months following September 11. Even while at war with Afghanistan, the administration looked at a preemptive strike against Saddam Hussein’s regime. According to Bob Woodward, who interviewed the President, “Five days after September 11, 2001, President Bush indicated to National Security Adviser Condoleezza Rice that while he had to do Afghanistan first, he was also determined to do something about Saddam Hussein.”

Iraq, in many ways, has been a culmination of the ideals outlined in the PNAC’s *Rebuilding America’s Defenses* transformed into U.S. foreign policy, and it clearly demonstrates the striking changes from the past policy of responding to direct and immediate threats. Iraq was considered a threat by the Bush administration because of Saddam Hussein’s supposed research and development of weapons of mass destruction. This alarmed the Bush administration, just as the idea had alarmed the PNAC in *Rebuilding America’s Defenses*. There was and is a great fear of nations acquiring weapons of mass destruction, in particular nuclear weapons: “Smaller adversarial states, looking for an equalizing advantage, are determined to acquire their own weapons of mass destruction.”

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Expansion of Worldwide U.S. Military Presence

The PNAC’s *Rebuilding America’s Defenses* outlined a new plan to combat regional conflicts by inserting U.S. troops into areas of conflict and areas that traditionally resent American force in their region, dramatically increasing the military’s overseas deployment commitments. The *Quadrennial Defense Review* report agreed, recommending the military “develop a basing system that provides greater flexibility for U.S. forces in critical areas of the world, placing an emphasis on additional bases and stations beyond Western Europe and Northeast Asia.”¹

Also outlined by the PNAC was the need for The United States to be able to fight a long-term two-front war: “The one constant of Pentagon force planning through the past decade has been the recognized need to retain sufficient combat forces to fight and win, as rapidly and decisively as possible, multiple, nearly simultaneous major theater wars.”² Currently there are regional conflicts being fought within Afghanistan and Iraq, and virtually every ground combat unit of the military is either in Iraq or has recently returned from there.

Additionally, the U.S. administration is making alliances with a number of countries in order to obtain allies in the war on terror, overlooking human rights abuses and even proliferation of weapons of mass destruction as long as those governments remain friendly to the United States.

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Financial Benefits of the Current Defense Policies: Expanding the Budget Deficit

The military buildup is not just in spending for the Iraq war. In 1998, the PNAC called for a military buildup across the board. Under the Bush administration, defense spending has increased dramatically: “The Department of Defense (DoD) has been [increasing its spending] for several years. That funding totaled $345 billion in 2002; for 2003, the Congress has provided $359 billion for DoD. (All figures are in 2002 dollars to account for the effects of inflation.)”1 This does not include the supplementary amounts requested for Afghanistan and Iraq. Since 2002, spending has been on a steady increase. The outlays of the budget, as shown in the 2005 defense budget, show an increase from 2002 to 2003 of $56.3 billion, and the change from 2003 to 2004 was another increase of $48.7 billion.2 At current rates, the average spending is above the Cold War average. Average spending during the Cold War was only $298.5 billion3; the current spending for 2004 is $453 billion.4

5 Defense spending trends in constant 2002 dollars, Defense and the National Interest
This spending is not, however, going to increase the numbers of troops. Rather, the bulk of the defense spending increase is going straight to corporations with military contracts. Troop levels are down dramatically from Cold War highs—in 1989 the total active military manpower was 2,130,229\(^1\), while today it is down to 1,425,887\(^2\), and it would be lower if the military had not halted retirements for many in combat units: “The Army said it estimates only about 7,000 of the returnees [from Iraq] will have their time in the Service involuntarily extended.”\(^3\)

According to *Rebuilding America’s Defenses*, the creation of forward bases in Iraq and Afghanistan not only gives the U.S. administration a way to deter other countries in the region, but also protects American investments. The PNAC in *Rebuilding America’s Defenses* called on the Pentagon to “begin to calculate the force necessary to protect, independently, U.S. interests in Europe, East Asia, and the Gulf at all times.”\(^4\)

What is unstated are the financial interests of the authors of the report and others in the Project for a New American Century. PNAC members, along with members of the administration, have financial interests in an American invasion and occupation of an oil-rich country like Iraq. Iraq has 115 billion barrels of proven oil reserves\(^5\), compared to America, which has less than 23 billion barrels in reserve.\(^6\) The invasion of Iraq opens many new markets for American corporations and stimulates profits.

There are many personal connections between the PNAC, the current administration, and many of the companies that have been awarded contracts in Iraq. Vice President Cheney is a former CEO of Halliburton. On *Meet the Press*, he denied any connections to his former company: “I left Halliburton to become George Bush’s Vice President, I’ve severed all my ties with the company, gotten rid of all my financial interests. I have no financial interest in Halliburton of any kind and haven’t had now for over three years.”\(^7\) Yet Vice President Cheney still holds stock options from Halliburton.

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Vice President Cheney’s stock options were priced at:
- 100,000 shares at $54.50 per share;
- 33,333 shares at $28.125 per share;
- 300,000 shares at $39.50 per share.\(^1\)

Halliburton stock has increased in price three fold since January 2002.\(^2\)

Vice President Cheney, in addition to a $1.4 million cash bonus paid to him by Halliburton in 2001, received a $20 million retirement package paid to him by Halliburton after five years of employment.\(^3\)

The Halliburton Company has made several overcharges to the federal government for its previous contracts. There was also a scandal when it was discovered that two Halliburton employees had taken kickbacks from a subcontractor in the amount of $6.3 million.\(^4\) In fact, the total amount of taxpayer dollars paid to Halliburton is $2.25 billion; of which $1.25 billion is from a no-bid exclusive contract.\(^5\)

Halliburton is also a defense contractor making a substantial gain from the Iraq war, but it is not the only defense contractor making a profit: “Raytheon’s government and defense sales increased 9 percent in 2002, according to the company's annual report. For the third quarter of 2003, which ended on September 28, Raytheon logged $4.4 billion in sales.”\(^6\)


The preceding graph shows the top ten defense contracts awarded to contractors between FY 2002 and FY 2003. Every single defense contractor on the top ten list in 2003 increased its contracts with the Defense Department. (Due to the overall increase in the defense budget, contracts awarded to private defense firms increase as well.)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company Name</th>
<th>Awards (Billion $)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2003</td>
</tr>
<tr>
<td>1</td>
<td>LOCKHEED MARTIN CORPORATION</td>
<td>21.9</td>
</tr>
<tr>
<td>2</td>
<td>BOEING COMPANY, THE</td>
<td>17.3</td>
</tr>
<tr>
<td>3</td>
<td>NORTHRUP GRUMMAN CORPORATION</td>
<td>11.1</td>
</tr>
<tr>
<td>4</td>
<td>GENERAL DYNAMICS CORPORATION</td>
<td>8.2</td>
</tr>
<tr>
<td>5</td>
<td>RAYTHEON COMPANY</td>
<td>7.9</td>
</tr>
<tr>
<td>6</td>
<td>UNITED TECHNOLOGIES CORPORATION</td>
<td>4.5</td>
</tr>
<tr>
<td>7</td>
<td>HALLIBURTON COMPANY</td>
<td>3.9</td>
</tr>
<tr>
<td>8</td>
<td>GENERAL ELECTRIC COMPANY</td>
<td>2.8</td>
</tr>
<tr>
<td>9</td>
<td>SCIENCE APPLICATIONS INTERNATIONAL CORP.</td>
<td>2.6</td>
</tr>
<tr>
<td>10</td>
<td>COMPUTER SCIENCES CORPORATION</td>
<td>2.5</td>
</tr>
</tbody>
</table>

Defense contract awards Courtesy of Directorate for Information Operations and Reports

http://web1.whs.osd.mil/peidhome/procstat/P01/fy2003/top100.htm
Conclusion

Rebuilding America’s Defenses demonstrates the effectiveness of the nonprofit sector in shaping ideas and policy in the governmental sector. The direct impact of Rebuilding America’s Defenses on the current defense policy of the United States cannot be disputed. While the facts are chilling, it demonstrates the effectiveness of building networks of ideas and people to shape public policy. There is an alternative.

We, at NPRI are defining and articulating a new policy which calls for drastic reductions and eventual abolition of the nuclear arsenals of Russia and America, a complete halt in the development of new weapons, and the end of nuclear technologies for defense. This alternative is why NPRI exists.