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U.S. Should Charge to Protect Defense Welfare Clients: Donald Trump Got One Idea Right

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Today the Pentagon underwrites the defense of wealthy nations across the globe. Doing so costs America hundreds of billions of dollars annually while leaving Americans less secure. Washington should stop using the Pentagon as a global welfare agency.

The U.S. government at least should charge for its defense services, as Donald Trump has suggested. This is a second best option. But America shouldn't be defending its rich friends for free.

Most Republican Party presidential candidates insist that Washington do more on behalf of its allies. The latter already are subsidized, protected, coddled, and reassured, irrespective of need. U.S. officials often are more insistent that America protect other nations than the latter want to be defended. Why are U.S. politicians so determined to put the interests of other nations before those of America?

In fact, the terrorist attacks of 9/11 demonstrated that the Department of Defense is not well-prepared to defend Americans. For that reason Congress created a new agency, the Department of Homeland Security. The Pentagon devotes the bulk of its resources to projecting power abroad to defend other nations, mostly wealthy industrialized states, and rebuild failed societies, especially in the Middle East. In most of these cases America has no important, let alone vital, interests at stake.

The obvious answer in both cases is to stop doing stupid things, as President Barack Obama preached but failed to practice. The U.S. should eschew social engineering abroad--if it is impossible to remake people at home, why do Washington policymakers expect to successfully transcend differences in history, ideology, religion, ethnicity, culture, geography, and more overseas? Moreover, Washington should drop its global policeman role and allow allies and friends to protect themselves. They have the wherewithal and incentive to do the job; government welfare creates dependency among foreign as well as domestic recipients.

But if Washington policymakers are determined to remain in charge irrespective of Americans' interests, a second best would be to make those being defended pay. It's not a good solution--after all, how much is American blood worth? Nevertheless, officials supposedly acting on America's behalf at least should stop mulcting their fellow citizens to enrich the world's wealthiest and most advanced nations.

As Trump observed: "I keep asking, how long will we go on defending South Korea from North Korea without payment?" More recently, he cited Pyongyang's provocations, adding that when the North acts up "we immediately get our ships going. We get our aircraft. We get nothing for this." In noting the cost of protecting Europe, he asked why America is "leading this charge."

But how much should Washington charge? The U.S. is offering a very valuable service. After all, governments have no greater responsibility than defending their citizens. If other states want to subcontract to America, they should pay handsomely for the privilege. The charge should reflect services provided and ability to pay. Conventional defense of borders? Intervention in overseas difficulties? Nuclear umbrella against powerful neighbors? Minimal effort on one's own behalf? The "protection fee" should increase for each.

Every nation is unique, so it's hard to come up with a uniform charge. But consider some rough numbers. For instance, Washington might charge one percent of GDP for providing a standard defense. E.g., for Denmark, Luxembourg, Australia, and Italy, which all are wealthy and face no particular threats.

Defending countries with globe-spanning interests could result in greater complications for America. France and Great Britain once were great powers, and maintain an overseas presence, sometimes finding conflict in the strangest places: Great Britain and Argentina remain at odds over the Falkland Islands while France periodically intervenes in Francophone Africa. In such cases the U.S. should add another percent to its fee. Japan and Saudi Arabia have commercial rather than political relations around the world, warranting a similar, if perhaps reduced, charge.

Some nations are enmeshed in military confrontations which threaten to draw in allies and friends. South Korea is an obvious case. (So would Georgia and Ukraine if they ever were brought into NATO.) Saudi Arabia is involved in a warming cold war with Iran. Poland and the Baltic States, though so far unmolested, are particularly fearful of Russia--and insistent that Washington protect them. Add an extra percent to the price for defending these nations. Japan's confrontation with China over the Senkaku/Diaoyu Islands creates at least some possibility of conflict. A reduced charge for Tokyo might be appropriate.

An American nuclear guarantee takes the risks for America to a new level. Japan and South Korea shelter under Washington's so-called "nuclear umbrella" in Asia. In Europe Germany, Poland, and other Eastern European nations, at least, receive implicit U.S. nuclear protection from Moscow. Washington may have made an offer of a nuclear guarantee to win Riyadh's support for the Iran nuclear deal. This service warrants another percent fee.

Finally, countries which don't seem interested in their own defense, or at least interested enough to spend much on their own behalf, turn themselves into targets. Most of Europe doesn't spend even two percent of GDP on the military; only Britain, Estonia, Greece, and Poland are exceptions. Japan comes in at just one percent. For the defense laggards Washington should impose a one percent surcharge.

Charging this gaggle of defense deadbeats would generate significant revenues for the U.S. At least Americans no longer would be providing military welfare to a host of wealthy industrialized and oil-producing states.

GDP estimates vary. Many economists favor figures based on purchasing power parity, but that measure most enhances estimates for poorer nations. For the sake of simplicity I use the World Bank's nominal GDP figures for 2014. What might the U.S. collect in defense fees for its efforts?

European states would owe a base one percent. The European Union's GDP was \$18.5 trillion. That yields a charge of \$185 billion, a good start. For devoting so little to the military the EU, minus the four countries spending more than two percent of GDP on the military, would have to kick in another percent. That would be roughly \$147 billion.

The Baltic States and Poland would owe an extra two percent for being involved in a potential conflicts and receiving a nuclear guarantee. On a collective GDP of \$650 billion that comes to \$13 billion. France, United Kingdom, and Germany would need to kick in an extra one percent (the first two for their global interests, the latter for nuclear protection). Their collective GDP is \$9.6 trillion, yielding a charge of \$96 billion.

Canada, another member of NATO, has a GDP of \$1.8 trillion. One percent of that is \$18 billion. Saudi Arabia's GDP is \$746.2 billion. It should pay three percent, or \$22.4 billion, with basic fee plus add-ons for potential conflict and a combination of (reduced) charges for commercial global involvement and possible nuclear guarantee. The other Gulf States collectively come in at a GDP of \$893.3 billion. A one percent basic fee would yield \$8.9 billion.

Moving to Asia, Japan, with a GDP of \$4.6 trillion, should pay four percent--for standard defense, nuclear umbrella, minimal military outlays, and a combination of economic international involvement and limited potential conflict: these would come to \$184 billion. South Korea enjoys a GDP of \$1.4 trillion and would owe the standard fee plus surcharges for potential conflict and nuclear guarantee. That means Seoul should pay three percent, or \$42 billion. Australia's GDP of \$1.5 trillion would generate \$15 billion at one percent. The Philippines' GDP is a modest \$285 billion. Charging two percent, given the potential for conflict, would yield \$5.7 billion.

The grand total comes to \$737 billion. Since both houses of Congress have approved about \$570 billion in military expenditures for next year, foreign fees would cover the marginal financial cost of defending the U.S. The extra would go for expenses not commonly counted in annual expenditures: Veterans' benefits and the interest on money borrowed to pay to defend other states. (Some estimates put America's total military burden at an extraordinary trillion dollars annually.)

Many other countries arguably should pay something. The ANZUS alliance may formally have lapsed with New Zealand, but some expectations remain. Defense guarantees for such nations as Thailand and Singapore, as well as at least some Latin American nations, may be implicit. Sometimes relationships yield unclear obligations, say with Morocco and Egypt. Other nations receive constant assurances but lack a formal treaty guarantee, such as Israel. Some states benefit from limited military backing though not a full defense commitment, such as Georgia and Ukraine. Military relationships have been formed with some governments in dangerous neighborhoods, including in Central Asia.

It still would be better for Washington not to sell the services of American military personnel to rich nations which prefer not to defend themselves. But at least Americans could minimize their financial burden for defense.

Of course, some countries might want to negotiate reduced charges, and the foregoing numbers merely provide a start for constructing a for-pay defense system. Other nations might refuse to pay. But Washington should indicate that if they don't, they will be on their own. And that includes NATO members. No longer should Washington allow even close friends to be deadbeats.

The easiest way for states to avoid paying America for its efforts would be for them to defend themselves. You don't want to be treated like a helpless dependent? No problem. Just act like a grown-up nation and do the job yourself.

It has been years, even decades, since America's Department of Defense actually focused on "defense" of America. With the U.S. functionally bankrupt, Washington should lay down the burden of acting as the globe's combination policeman, social engineer, and welfare agent.

But if policymakers can't get over the idea of attempting to manage the affairs of every other nation, at least they should insist on charging for services provided at American citizens' expense. That would allow Washington to cover its own defense costs, which would be a good start.

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