

The Arms Race: Economic and Social Consequences

Hugh G. Mosley
University of Maryland

LexingtonBooks
D.C. Heath and Company
Lexington, Massachusetts
Toronto

Contents

	Figures and Tables	ix
	Preface and Acknowledgments	xiii
	Introduction	1
Chapter 1	The Cold War Origins of Military Keynesianism	5
	The Old Orthodoxy on Military Spending	5
	NSC-68 and Military Keynesianism	7
	Military Keynesianism and the Korean Rearmament	12
Chapter 2	Military Expenditure: Some Basic Concepts	17
	Military Expenditure and Economic Utility	18
	Military Expenditure and GNP Accounting	20
	Defining Military Expenditure	23
	Opportunity Costs and Military Spending	32
	Military Keynesianism and Opportunity Costs	34
Chapter 3	The Military Use of Resources	41
	Other Military-Related Expenditures	41
	The Military Burden	45
	Real Resources Utilized for Military Purposes	47
	Guns vs. Butter: Tradeoffs in the U.S. Budget	55
	The Making of the Pentagon Budget	56
Chapter 4	Military Expenditure and Economic Growth	63
	Global Comparisons of the Military Burden	63
	Military Expenditure and the Components of Economic Growth	65
	Military Expenditure and Investment	66
	Military Expenditure and Productivity	73
	Civilian Spinoffs of Military R&D	80

Chapter 5	Military Expenditure and Employment	89
	Employment Opportunity Costs of Military Spending	89
	Employment Opportunity Costs of Specific Weapon Systems	95
	Industrial, Regional, and Occupational Effects	100
Chapter 6	Military Expenditure and Inflation	113
	Military-Related Inflation	113
	The Political Context: Vietnam Inflation and Policy Stress	119
	Cost-Push Inflation in the Military Sector	122
Chapter 7	Impact on Balance of Payments and International Competitiveness	135
	Structural Impact on International Competitiveness	137
	Foreign Military Sales	139
	The Price of Hegemony	141
Chapter 8	The Reagan Military Buildup and Reaganomics	145
	The Reagan Economic Program	145
	Military Buildup vs. Economic Goals	148
	Reagan Buildup vs. the Korean and Vietnam Buildups	151
	Economic and Social Consequences of the Reagan Military Buildup	155
Chapter 9	The Economic and Social Consequences of Disarmament	161
	The Conversion Problem	162
	U.S. Experience with Postwar Conversion	167
	Conversion Planning	177
Appendix A	Components of the U.S. Military Burden	183
	Selected References	187
	Index	195
	About the Author	205