

Peace Economy News



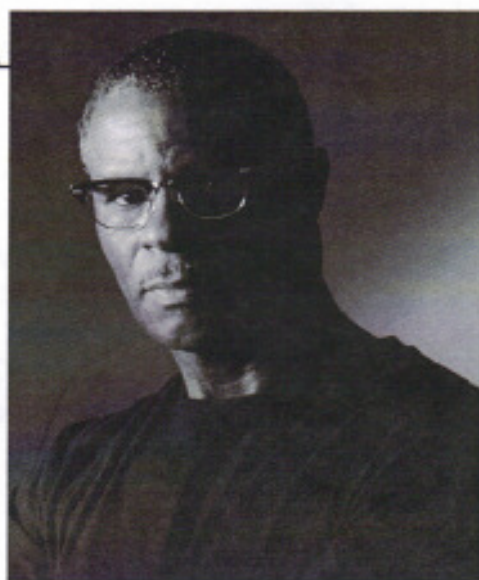
A Pedestrian Wish now has Relevance

years in maintaining global tranquility.

With 9/11 as backdrop, I went back to that fragile Matrix-like moment when we could have chosen a path to healing and peace instead of one paved in fear and patriotic retribution. In the immediate aftermath of the attacks, nations from around the globe – even those deemed hostile to the United States like Iran, Libya, and North Korea – came to our aid with condolences and offerings of support. Instead of humane reciprocation and strategic retaliation, we pursued a cowboy's plan of "shock and awe" that decimated towns, hospitals, airports, innocent stereotypes and global good will.

Ten years and more than a trillion dollars later, we find ourselves no safer and even more mired in deficits, unheralded poverty and decline on our own soil. Therefore, it is entirely apropos to imagine the next ten years under a peace economy theme. In a sense, it's mandatory to imagine a reversed course. As the New York Times noted in its July 23, 2011 editorial, it was largely Bush-era tax cuts and war spending that erased our "healthy surplus" and led to a nine year swollen deficit.

According to the National Priorities Project (NPP), a Massachusetts-based research agency that dissects the allocation of federal tax dollars, the total cost of the wars in Iraq and Afghanistan since 2001 comes to almost \$1.30 trillion. Several organizations have added perspective, detailing how that amount



Sylvester Brown, Jr.

In the fall of 2011, the Peace Economy Project asked me to join their board and the group kicked off a fund-raising campaign asking people to submit their vision of a "peace economy." As one of PEP's newest board members, I was asked, along with others, to write a brief commentary.

Just coupling "peace" with the word "economy" invited the ebb and flow of critical analysis. The assignment, which coincided with the anniversary of the September 11, 2001 terrorist's attacks, was about more than articulating a naïve desire. Describing a peace economy vision at that time called for a fiduciary review of the resources we've invested these past 10

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was more than enough to: fund Obama's health care plan, give every American high school student free college education; offer bail-outs to all troubled American homeowners; completely fund a nationwide renewable energy public works program; double the nation's police force and place 43 million Americans in new Habitat for Humanity homes.

With the past 365 days as flashback where ordinary but disenfranchised people ousted warlords and greedy dictators in countries like Tunisia, Yemen, Egypt and Libya, a common-sense call for economic justice becomes more than a giddy, peace-lover's wish. Young Wall Street Occupiers have captured the attention of the media and millions of struggling Americans. With demands for accountability and equity in the face of unchecked priorities that drained the nation's surplus, turned the old middle class into the "new poor" class—all the while enriching America's wealthiest one percent—suddenly a peace economy becomes a relevant alternative.

With a trampoline built upon 10 years of fruitless retribution, global death, destruction and massive monetary waste, I bounced what, ten years ago, would have been a ludicrous idea. I described a vision where America was truly "great" again through exploration, innovation and investments in efforts that bring meaning, purpose and healing to our troubled world. I wrote of a peace-based economy reliant on re-shaped values and realigned priorities.

Perhaps it's a gullible, optimistic and over-stated desire. Yet, after over 10-years of actions influenced by fear and retribution, I stubbornly cling to the belief that the country is finally ready to turn a pedestrian wish into a national mandate.

Sylvester Brown, Jr. is a freelance writer, board member with the Peace Economy Project in St. Louis and founder of When We Dream Together, a local nonprofit dedicated to urban revitalization.

Peace Economy Project-Highlights from 2011, Photos: A Year in Review

Tila Neguse

Youth Initiative in Retrospect

When I was first hired on at PEP in the fall of 2010, I was informed about a project that PEP was beginning to undertake. Plans were in the making for the start of the Peace Economy Project "Youth Initiative." The Youth Initiative was designed to stimulate young people and students back into the peace movement in St. Louis. I hired Justin Stein, then a junior at UMSL, to be a



student organizer for our PEP youth initiative. In January 2011, we held the first meeting of a group we called the Student Activist Coalition of St. Louis (STACS). Over the course of the year, this group of student and young activists was able to meet consistently once a month, hold a peace conference in April 2011 at the Regional Arts Commission, produce a Student Resource Guide, hold a series of community and activist trainings, as well as a number of recruitment events. After a year, STACS, now called Young Activists

Photo taken at a breakout session of the April Peace Conference

United St. Louis (YSTL) has become independent and continues to meet and plan and develop. In 2012, PEP still serves as the fiscal sponsor of this group and is committed to their continued success.

Visit to Congress

In July 2011, Peace Economy Project delivered our Congressional Appeal to Capitol Hill calling for a 25% reduction of military spending. While in DC, we were able to meet face to face with Rep. Lacy Clay, Senator Roy Blunt, Senator Claire McCaskill, and legislative aides from the offices of Rep. Adam D. Schiff from California, Rep. Aaron Schock for IL, Rep. Russ Carnahan, and Rep. Todd Akin. In the summer of 2012, PEP will return to DC to re-visit our elected officials and hound the importance for a reduction in military spending.



PEP Director Tila Neguse and Inter-Campus Coordinator Justin Stein pictured here with Sen. Claire McCaskill in her DC offices.

Fall Program

In November 2011, PEP was happy to welcome Mike Prokosch of the New Priorities Network. The New Priorities Network is a national network of groups all calling for an end to the funding of wars. Peace Economy Project was lucky enough to host long-time community organizer and anti-war activist Mike Prokosch. Over the course of 3 days, Mike spoke

on WGNU 920 AM St. Louis Urban Forum with Bernie Hays, did a joint speaking event with Miriam Miranda leader of OFRANEH (Fraternal Black Organization of Honduras) for students at UMSL, and facilitated a dinner and discussion at the Regional Arts Commission.



Mike Prokosch and Miriam Miranda at UMSL.



PEP Director, Tila Neguse pictured with Young PEP supporter, Tiggy, at fall program

2012: A Year of Critically Important Decisions

Charles Kindleberger

Decisions made this year will shape prospects for a more peaceful economy in the United States. The November election has the potential to reset overall policy direction on the military, domestic programs, taxes and deficit reduction, though continued Washington deadlock is certainly a possibility. There will be pressure to implement tax reform, given that the Bush era tax cuts have only been extended to 2013 and a new debt ceiling is necessary. And there will be additional pressure to revisit the Budget Control Act of 2011. Unless a new compromise is reached, something that the Super Committee could not do last fall, the \$1.2 trillion "sequestration" must start in 2013 for the next 10 years – half of the cuts in defense and security programs and half in most, not all, domestic programs.

Efforts have begun to scale back the Pentagon budget, but in the eyes of many not by very much. Consider some numbers – the President's 10 year Pentagon reduction (\$486 billion), Secretary of Defense Panetta's recommendations for the next 5 years (\$256 billion), and the impact of sequestration (another \$500 billion on the Pentagon with additional security cuts going towards the Departments of Homeland Security and Energy.

President's Recommendation. In early January, President Obama came to the Pentagon where he announced a new Defense Strategy Plan and a proposed cut, over the next 10 years, of \$487 billion in the DOD budget. There would be a "pivot" to the Pacific, in order to reassure our allies that China would not have free reign in the east. At the same time our interests and friends in the Middle East would not be abandoned. The two war doctrine (the ideas that the US could fight two wars at once) would be replaced with a one and one half version – something that most observers would say has already been in effect.

Pentagon's Proposal. Later that month, Secretary Panetta announced a cut of \$259 billion over the next 5 years. This plan was greeted with concern from both the right and the left. Chairman of the House Armed Services Committee, Representative Henry "Buck" McKeon (R, California) expressed great concern, especially at the proposed loss of troops. Others noted that the proposed cuts were being made

A PUBLICATION OF THE PEACE ECONOMY PROJECT

against projected spending, and that they amounted to no more than 1.6 percent. By 2017, the base annual amount for the Pentagon would be \$567 billion versus today's 531 billion.

Just what is Secretary Panetta prepared to change over the next 5 years?

Army. It would be cut the most – around 60,000 active duty troops (from 552,000 soldiers to 490,000). Many of these soldiers are now in Afghanistan. The exact number of troops to come back from Germany and other locations around the world was not clarified. The proposal is to eliminate at least 8 Brigade Combat Teams). Total Army Active Duty, Reserve and National Guard troops would be reduced by 6.8 percent by the FY 2017 budget.

Navy. Seven cruisers and two dock landing ships are to be eliminated, but others are to be constructed. In 2017 the active duty navy strength is projected to be 319,500, down by about 5000 from today's number – 325,700. (A 30 year ship building plan submitted to Congress in March envisions \$16.8 billion per year, allowing an increase from 282 ships to around 300 by 2019.)

Marines. Five infantry battalions are to be eliminated, an artillery battalion, four air squadrons, a combat logistics battalion and an infantry regiment headquarters. Active duty strength would be 182,000, down from today's 202,000. Altogether Active duty and reserve forces would be reduced by 8.3 percent by the FY 2017 budget.

Air Force. Active duty troops would change only slightly over the next 5 years – from 332,800 to 328,600. Factoring in the Reserves and Air National Guard, the reduction would be only 2.3 percent, 501,000 to 499,300. Under the plan 303 aircraft would be eliminated, of which 123 would be combat aircraft, mostly A-10s and F-16s. Of course, the Pentagon hopes to acquire a lot of new Joint Strike Fighters (F-35s) and other planes during this period.

In addition there are other suggested cutbacks across the services. Military pay raises would be limited (after 2015), retired military health insurance premiums raised, and another Base Realignment Closing (BRAC) Process initiated. Of

course there are areas of new emphasis that will cost more – cyber-warfare, special operations warfare, and research and development.

Contrary Opinions. So what to make of all of this? As Doyle McManus of the Los Angeles Times has pointed out (1/11/12), the President wants it both ways. In this election year, he wants to convey that he is serious about deficit reduction and the need for military cuts to be part of that effort. Yet most Peace Economy readers will conclude that his proposed cuts are very modest.

Three of the four Republicans seeking the nomination want to spend more on defense (See The Republican Candidates) than the President does. However, there are many responsible observers who believe that considerably larger cuts are doable. Consider some of their thoughts:

- *Lawrence Korb* (former Assistant Secretary of Defense in the Reagan Administration). He would cut the nuclear arsenal from around 5000 to 311 war heads; cut ground forces by another 100,000; reduce European troops from 80,000 to 20,000; Reduce both carriers and air force planes by 25 percent; double the health premiums for working age military retirees (they have been only \$460 a year since 1995, until a \$60 increase this year.) Korb notes that even with the additional \$500 billion cut called for by the Sequestration, the 10 year reduction would only amount to around 15 per cent, considerably less than that achieved by President's Eisenhower (after Korea), Nixon (after Vietnam) and George H.W. Bush (after the First Gulf War)

- *Eduard Aguillar* (Program Coordinator, Project Nuclear Awareness). He would stop building a new nuclear submarine fleet (saving \$125 billion); stop overhauling older nuclear weapons and reduce the number of warheads (saving \$65-80 billion). He would cut ICBMs and ballistic missile submarines (saving around \$100 billion).

- *Tom Coburn* (Republican Senator, Oklahoma). He would cut a trillion dollars over 10 years. This conservative senator produced a detailed deficit reduction plan entitled "Back in Black" in the summer of 2011. Twenty five pages are devoted to the Defense Department where he would shift to a 10 carrier navy: reduce ICBM missiles from 450 to 300 and cut

the ballistic nuclear sub fleet from 14 to 11. He would cancel the Navy and Marine versions of the F-35 and postpone production of a new bomber. As Mother Jones magazine points out most of these ideas could have been "ripped from a progressive policy playbook."

In sum, there are a lot of smart people who argue that substantially greater cuts are feasible and desirable. For those who believe in a Peace Economy there will be many challenges in the months ahead:

We need to monitor the 2013 National Defense Authorization Act process. Hearings have started and "Mark Up" is supposed to begin in mid-May. We need to watch for Congress to resist Secretary Panetta's proposed curtailments. No doubt we will hear the familiar refrain from Congress regarding the need to save jobs. We need to be alert to earmarks and "pork."

We need to prepare for the coming debate over the sequestration that is required to go into effect in January 2013. There will be another attempt at a budget compromise between the House, Senate and the White House, probably after the November election. The pressure from all sides to modify the sequestration will be great. Many will want to eliminate further Pentagon cuts at the expense of greater domestic cuts. This will all happen in the context of Republican arguments for tax reform and across the board tax rate reductions, and Democratic arguments to increase taxes on upper income people, and to save entitlement programs and the safety net.

The need for greater education and advocacy for a "Peace Economy" has never been greater.

Special thanks are in order for the contributions made during 2011 by:

Greg Stevens, proprietor of The Wine Press and Peace Printing

Dr. Abbe Sudvarg, PEP board chair

Joe Welling, aka Joe the Juggler

The Dominicans of Racine Wisconsin

The Sisters of Loretto in St. Louis

Justice and Peace Shareholders

Corporation Spotlight and Lessons from Bolivia

Charlie Edelen IV

Bechtel Corporation isn't a company that comes to mind when you talk about the military-industrial-congressional complex. It doesn't make bombs or guns, like Lockheed Martin or Honeywell. It isn't a private "security" firm like the infamous Blackwater. Nor does it have impossibly obvious connections to Presidential administrations like Halliburton.

But Bechtel is a poster child for another part of the military-industrial complex. The MICC doesn't only shape U.S. policy to go to war or attack foreign countries; it also shapes U.S. policy regarding countries we've destroyed. And if the countries we've invaded and/or destroyed have oil under their soil, then we'll take a bit of that too. All's fair in love and war.

Enter Bechtel.

Bechtel's Board of Directors is a classic example of the "revolving door" of government agencies, military branches and private interests. Just to name a few:

David O'Reilly is the former chairman & CEO of Chevron Corporation (Chevron recently discovered natural gas off the coast of Australia, oh boy).

George P. Shultz is the former U.S. Secretary of State under Ronald Reagan, former president of Bechtel, as well as a former board member of the prominent investment bank Dillon, Read & Co. Inc. Dillon, Read & Co. is now owned by the Swiss Bank Corporation.

Gen. John J. Sheehan, USMC (ret.) is a former NATO Supreme Allied Commander Atlantic, former member of the Defense Policy Board, and a former Special Advisor to Asia for the U.S. Defense Department. He's also a former General Manager of the Petroleum and Chemical Business Unit for Europe/Africa/Middle East/South West Asia and was also a Bechtel partner.

After the U.S. invaded Iraq in 2003, Bechtel was one of the first companies awarded a contract to rebuild it. The contract was for \$680 million. The next year, Bechtel was awarded an additional \$1.8 billion contract.

Over a decade prior, after the first Iraq War, Bechtel was given a \$2.3 billion contract – partially to execute "the most

successful oil recovery in history", according to Bechtel's website.

In 2008, Bechtel was awarded a 4-year contract to build the Keystone Pipeline, from Alberta, Canada to the U.S. Midwest. Continued pipeline construction was recently stalled by large protests in Washington, DC....but wait....

Bolivia: Who's water? Our water!

Around the turn of the 21st century, Bechtel was contracted to privatize the water service in Cochabamba, Bolivia's third largest city. Technically, the contract was awarded to **Aguas del Tunari**, a company that Bechtel has a 27.5 percent share in.

There were two main parts of the contract that the Bolivians did not like: collecting rain water was made illegal; and water rates increased by about 50%.

Soon after, civil unrest broke out to what was later called the "**Cochabamba Water Wars.**" There were large protests and several general strikes that shut down the city. After five months of protest and chaos, Bechtel had to back out of Bolivia. This was truly an unprecedented act in modern world history.

"This is the first time that a major corporation like Bechtel has had to back down from a major trade case as the result of global citizen pressure," said Jim Shultz, executive director of **The Democracy Center** in Cochabamba, and a leader of the global effort.

We have much more in common with the people of Bolivia than with the Board of Directors of Bechtel. We are the 99%. Buried in generations of American Exceptionalism, we have a largely unsung story of inspiration from our southern neighbors in Bolivia. Despite corruption within the U.S.-approved Bolivian government, the Bolivian people preserved. They preserved and prevailed. Lesson learned.

I hope the movement in the U.S. is able to keep Bechtel and the like off our green grass and farmland in the same way our brothers and sisters in Bolivia were able to keep Bechtel's hands off their water.

Onward.

Charlie Edelen is the Communications Organizer for Jobs with Justice and Peace Economy Project Board Member



BRAC: Not on our Backs

Tila Neguse

In February of this year, the Pentagon called for a series of base closings and Missouri Senator Claire McCaskill plans to make good use of her position on the Senate Armed Services Committee by saying “no” to these closures. Sen. McCaskill opposes a new round military base closings known as BRAC (Base Realignment and Closure Committee). The BRAC proposal allows the Pentagon to reduce spending like any typical cash-strapped corporation. BRAC is supposed to be crucial in the DoD’s cost-cutting strategies when in reality; it has been an inefficient plan with little savings and serious consequences.

BRAC doesn’t even scratch the surface in the real amount of spending cuts the military needs to undergo. DoD’s own figures show that the 2005 BRAC saved only \$1.5 billion out of a \$525 billion budget. On the scale of Pentagon expenditures, that’s chicken feed. Keep in mind, the 2005 BRAC won’t yield net savings till 2018. In other words, the BRAC that starts now won’t do much to reduce the federal deficit over the next ten years. In fact, without more cuts, it will most likely probably increase the deficit.

One of the biggest push backs against decreasing military spending is backed by the claim that the military is a vehicle for job creation. The political rhetoric of military spending advocates goes like this; if we cut the military budget, we cut jobs—period.

Yet, according to a study done by for the Department of Economics and Political Economy Research Institute at the

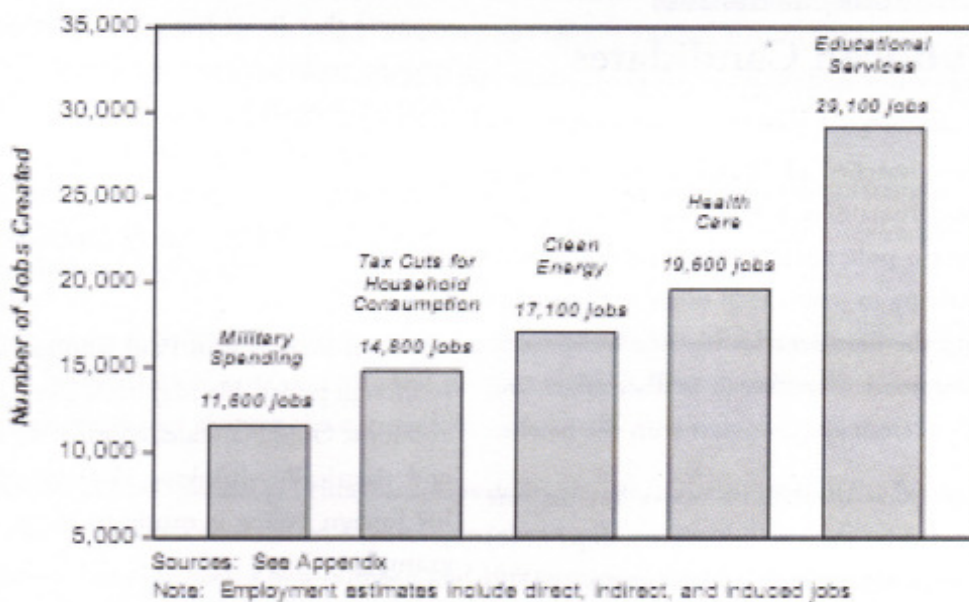
University of Massachusetts, Amherst in 2011, for every billion dollars spent on military production, 11,000 jobs were created compared to the 29,000 that were created from every billion spent on education. The Pentagon is taking our jobs, not creating them and BRAC is a perfect example of dispelling this myth of job creation and protection.

The Pentagon’s budget-cutting ideas wreak maximum havoc on people while leaving hardware untouched. Besides closing bases, the Defense Department wants to cut Tricare, the military health system, and reduce other personnel costs. The Pentagon is acting like a giant corporation, downsizing its workforce and cutting their benefits in order to balance the budget on their backs.

There are common sense ways—as difficult as they may be—to decrease military spending, protect and create jobs and still keep our country safe. Inefficient as it may be, BRAC

has tremendous impact potential on communities whose local economies rely on military bases, like those here in Missouri at Whiteman Air Force Base and Fort Leonard Wood, as Sen. McCaskill mentioned. There are alternative cuts that should take higher priority to BRAC.

FIGURE 1. JOB CREATION IN THE U.S. THROUGH \$1 BILLION IN SPENDING



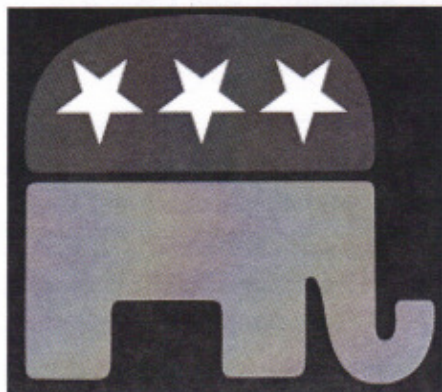
Though World War II ended a half century ago and the Cold War two decades back, the Pentagon still has over 200 bases in Germany and over 100 in Japan. If we closed just one-quarter of US overseas bases, we could save \$80 billion dollars over the next ten years, as explained in a 2010 report by the Sustainable Defense Task Force.

Other smart, effective cuts could include:

Scaling back our nuclear weapons arsenal The U.S. has over 5,000 nuclear warheads and the Pentagon continues to seek resources to fund these weapons.

Promptly ending the war in Afghanistan, which costs us over \$100 billion dollars a year.

Pulling back forward-deployed troops, ships, and air wings so they can defend the United States instead of trying to police the world, control its oil shipping lanes, and encircle China.



The Republican Candidates

Charles Kindleberger

You don't have to have watched all 20 debates to know that the 4 (as of this writing) remaining republican candidates are split on matters of foreign policy and military defense. Three are aggressive hawks striving to outdo each other in flexing US muscles and castigating the President for his relative restraint on issues like Syria and Iran. The fourth is libertarian Ron Paul, a welcome breath of fresh air. Let's start with the hawks.

- **Mitt Romney** states that the United States has become dangerously weak. He worries that we have fewer ships (282) than we did in 1916, and that with about 6000 planes (4500 active and the rest in the Reserves and National Guards) there are fewer planes than in the late 1940s. Mr. Romney appears to have little appreciation for the incredible increases in capability possessed by today's weapons. In contrast with President Obama he would increase the Army by 100,000 troops, and he would increase naval ship building to 15 per year.

- **Rick Santorum** is less precise on military matters, but equally or more bellicose. He is angry with the president who

These changes in overall military strategy would save hundreds of billions of dollars a year, not the billion here and billion there under base closings. They would help keep us out of destabilizing wars like those in Iraq and Afghanistan. And they would safeguard our troops far more seriously than today's wars of choice.

BRAC is a flawed band-aid on an open, gushing wound. We can make cuts, big cuts, and not on the backs of working people.

he regards as far too timid, unable to stand up to countries like Iran, and unwilling to defend Israel. Santorum believes that we should not have abandoned President George W. Bush's missile program in Czechoslovakia and Poland. He would refuse to negotiate with anyone, reevaluate the START treaty, and push for a comprehensive missile defense system. Santorum served for 8 years on the Senate Armed Services Committee.

- **Newt Gingrich** is perhaps most willing to go to war. He suggests that Israel has a "moral obligation" to launch a pre-emptive strike on Iran, and that the US needs to be part of that effort. Gingrich has a long time interest in technology which manifests itself in his worry about a "nuclear electromagnetic pulse" attack, which he suggests could take out the nation's electric grid. Most experts conclude that this is not a high priority risk.

- Then there is **Ron Paul** who has a very different approach to foreign policy. He may scare some people with his thoughts about the Gold Standard, eliminating the Federal Reserve Bank and drastically shrinking the size of government; however, his foreign policy is music to many progressive ears. Some examples:

- o "Far from defeating the enemy, our current policies provide incentives for more to take up arms against us.

- o Follow the Constitution by asking Congress to declare war before one is waged.

- o Repeal Section 1021 of the National Defense Authorization Act (It allows indefinite detention of American citizens without access to legal representation or due process of law.)

o The policy of American domination of the world as nation builder-in-chief and policeman of the world, has failed and must be abandoned – if not as a moral imperative, then certainly out of economic necessity.”

His is a policy of “Mutually Assured Respect” not Mutually Assured Destruction or unilateral American dominance. It is well worth further review.

Congressional Appeal 2012

Please take a moment to read and sign-on to the following statement: as in past years, it will be hand delivered with supporting materials to your two Senators and one member of the House of Representative in the summer of 2012. Thank You. The Peace Economy Project

Save our Nation Reduce Military Spending

Dear <<We will enter your congresspersons' names here>>,

The Iraq war has finally ended, and there is general consensus that we are getting close to leaving Afghanistan. Soon, for the first time in a dozen years, we will not be engaged in a shooting war. The time has come to scale back our military might.

In keeping with the Budget Control Act, passed last August, the President has issued a new “Defense Strategy Plan” that calls for a cut back of \$487 billion over the next ten years. Secretary of Defense Panetta has, in turn, recommended a more specific set of cutbacks in the nearer term - \$259 billion over the next five years. However, because these proposed reductions are against previously projected increases in expenditures, the real cuts, if they happen, amount to only 1.6 percent.

Average cutbacks after previous wars were substantial. For example, the reduction in troop strengths 8 to 10 years after the Korean, Vietnam and Desert Storm wars were 31, 43 and 38 percent respectively. Cutbacks after earlier wars were considerably higher. Why should it be different this time?

Because the 12 person “Super Committee” failed to reach consensus last fall, the Pentagon is committed to accepting an additional \$500 billion in “sequestration” cuts over 10 years starting in 2013. That is unless the Congress and President reach a new deficit reduction compromise that changes the current law.

We believe that the additional \$500 billion in Pentagon cuts is desirable. An overall trillion dollar cut in the military budget by 2023 would still be less than in previous wars. Many experts agree that we do not need 11 aircraft carrier groups, 2300 F-35 Joint Strike Fighter planes, a new submarine fleet, a new bomber, and 1550 deployed nuclear weapons. As former Secretary of Defense Robert Gates stated, the “gusher” is over. A more modest US military capacity can fully meet America’s defense requirements.

We, the undersigned, ask that you honor the sequestration requirements. Cut the full trillion dollars out of the defense budget. The country and the world will be better off. We would welcome your questions and comments.

Signed
See Attached.

You can sign this statement electronically at www.peaceeconomyproject.org

What Next for the World's Nukes?

Charles Kindleberger

An open microphone at the Seoul Nuclear Security Summit caught President Obama suggesting to President Dmitry Medvedev that he would have "more flexibility" after the election to deal with issues such as missile defense. Some conservatives thought they had overheard words of treason. Others thought it was good news.

The new START treaty with Russia was ratified less than a year and one half ago. Each side agreed to reduce the number of active nuclear warheads to 1550 and delivery mechanisms to 700 by 2018. It was a hard fought victory (both with Russia and in the US Congress), constituting relatively modest reductions from the earlier 2002 Strategic Offensive Reduction Treaty (SORT). Many observers believe that the process of reducing the number of nuclear weapons in the world needs to make much more progress.

The Administration is reported to be in the midst of a "Nuclear Posture Review Implementation Study" in preparation for new negotiations with Russia. Among the issues:

How quickly to reduce deployed weapons? With 240 submarine missiles, 420 land based missiles and 60 long range bombers, the US is just slightly over the limit of 700 delivery vehicles by 2018. Getting from an estimated 2000 deployed warheads to 1550 warheads may be slightly more difficult. The Administration has to decide how quickly they want to make those reductions over the next 6 years.

How many further reductions in the future? The current "implementation study" is reportedly exploring three different options for further warhead reductions: between 1000 and 1100; 700 and 800; and 300 and 400. Besides Russia, China is the only other country with anything like these amounts. Estimates are that it has 240 to 300 nuclear weapons, with a much smaller number (50?) capable of hitting the United States.

What about stockpiled weapons? There are approximately 11,000 nuclear weapons that both Russia and the US keep in reserve – around 2000 in the US inventory, and a much larger number in Russia's arsenal. These so-called "hedge weapons" are expensive to maintain and not necessary, according to many experts. They believe a more effective way to repair corroded or defective deployed warheads would be to install new or reused parts, not replace the whole system with one in the hedge inventory.

What about battlefield weapons? There are also so-called plenty of tactical or "battlefield" nuclear weapons that were once considered for use in conventional warfare in Europe. The United States has around 200 short range (less than 500 kilometers) nuclear missiles stored in 5 European countries, as well as others at home. Russia is said to have been 2000 and 4000 such weapons, though it is unclear how many are operational. Belgium and Germany are among those who think such weapons have no place in their countries. Besides the fear of some

crazed individual or small group of soldiers using one of these weapons without permission, is the real threat of sale to, or theft by, terrorists. By comparison with strategic weapons, these tactical weapons are much smaller and portable.

Clearly there is a great deal more to be done, if we are to significantly reduce the chances of lost or stolen weapons. Reducing the inventory of nuclear weapons would also save a lot of money. The Pentagon has estimated the 10 year cost of 12 new Ohio class replacement submarines, 100 new long range bombers, and a new ICBM at around \$125 billion dollars. Given their past estimating performance, that number is no doubt a low guess. Still another way to save money relates to the ratification of the START treaty in December 2010. In order to secure the vote of a sufficient number of senators, apparently the Obama administration made an \$88 billion dollar commitment to "refurbish the nuclear stockpile." If renewed negotiations result in dramatically fewer weapons, hopefully that cost would shrink.

Corporate Tax Dodger: Spotlight on Boeing

Boeing, St. Louis' very own defense contractor, made profits well over 9 billion dollars from 2008-2010, and yet surprisingly collected 178 million from the IRS during that time period. With a tax rate of negative 1.8%, Boeing makes the list for one of the biggest corporate tax dodgers of the year. Shame!

Peace Economy Project Annual Report 2011

Income

*Membership/Donations: \$5,450.04
 *JPS: \$10,490.00
 *Grants: \$8,500.00
 *Events/Initiatives: \$7,582.00
 *Miscellaneous: \$817.00

TOTAL: \$32,839.04

Expenses

*Wages: \$26,082.12
 *Office/Supplies: \$2,921.93
 *Outreach (Events/Newsletters): \$4,315.74
 *Fundraising: \$430.21

TOTAL: \$33,750.00

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