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Close the Bases — and Cut the Spending **by Sheldon Richman**

The frantic reaction to the Pentagon's plans to close 33 major military facilities demonstrates how heavily government dominates modern life. Most of the reaction had nothing to do with national security. After all, it is Defense Secretary Donald Rumsfeld floating the proposal. Who is going to believe that he and his boss, President Bush, are weak on the military? On the contrary, they too readily see it as a panacea.

No, the reaction focused on the economic cost to the bases' surrounding communities. As CNN put it, "The reaction to the announcement by the communities affected — from New Jersey to California, Wisconsin to Texas — was first disappointment, then determination to fight for their livelihoods." CNN added that "the Pentagon plan calls for a net loss of 29,005 military and civilian jobs at domestic installations."

Their livelihoods! People in a free-enterprise society are not supposed to look to the government for their livelihoods. But the bloated military, which is part of the burdensome welfare-warfare state, makes that possible.

In a free market, consumers ultimately direct production according to their decisions to buy or not to buy. Even stages of production far from the consumers must eventually satisfy them. Mining iron ore to make steel has value only if consumers want things made of steel. If a better and cheaper material were discovered, the value of iron ore would plummet.

How do consumers get the money to buy things and direct the productive process? By being producers themselves, which means they must satisfy other consumers. Thus one can consume only if one first produces something that *others* want to consume. In this way, the economy is in the hands of consumers. Entrepreneurs, owners of capital, and workers all must strive to please them in order to prosper.

Big government corrupts this beneficent process. Government finances its activities through taxation — fiscal force — that is, it compels productive people to surrender part of their incomes. Politicians and bureaucrats then spend the money in sundry ways. Notice the break from the market's mode of operation. In the market, one can acquire someone else's money only

through consent, usually by offering him something he wants: a gallon of milk, a computer, an automobile. But when the government commandeers the money, to that extent it also commandeers the market process. Now the money is spent not by people who have satisfied consumers, but by government employees and contractors who have satisfied their bureaucratic bosses. (The Public Choice school of political economy has exploded the fiction that government personnel are motivated to serve “the people.”)

For many years thousands of military-base employees have spent millions of taxpayer dollars buying goods and services in the nearby communities. Many people have come to depend on that patronage. Had that money not been taken from the taxpayers, *they* would have spent and saved it in ways that satisfied them, and others would have prospered as a result. Thus government is revealed as little more than a transfer machine, moving money from those who serve productive consumers to those who serve unproductive bureaucrats and politicians.

The upshot is that closing the bases and — this is important — letting the taxpayers keep their money would free the economy to make our lives better. The rub is that although the Bush administration wants to close the bases, it hasn’t said it will cut spending. Too bad. Until the government drastically cuts spending, we productive people will be living in involuntary servitude.

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