

## How to Pay for the Next War

3/27/2009

***By Donald Cohen***

President Obama announced that we would add 4,000 more troops to the 17,000 he already ordered to Afghanistan.

In his address to Congress, he also announced that he would restore honest and transparent budgeting to pay for our military commitments. "This budget," Obama said, "... for the first time, includes the full cost of fighting in Iraq and Afghanistan. For seven years, we have been a nation at war. No longer will we hide its price."

Obama's declaration was a clear rejection of George Bush's supplemental off-budget appropriations designed to make it hard to oppose without being accused of abandoning the troops. Given estimates that the Iraq war may ultimately become the most expensive in U.S. history, Bush's approach was fiscal irresponsibility wrapped in post-9/11 "yellow ribbon" patriotism. It saddled us with massive deficits and avoided the hard choices of balancing national priorities.

Even worse, the Bush wartime tax-cuts represented an outrageous exception in American history. An Urban Institute analysis of war finance in U.S. history claimed Bush's tax cuts, while a nation at war, "constituted an extraordinary episode in the history of war finance." Never before had we sent troops to battle without raising the revenues needed to fight that war.

Now with new leadership in the White House we have an opportunity to change how we go to war and how we pay for it.

Last July, a bipartisan commission led by former Secretaries of State James Baker and Warren Christopher called for a strengthening of the 1973 War Powers Act to give Congress greater legislative authority in the process of committing U.S. troops. The proposal would require the President consult with Congress before deploying U.S. troops into "significant armed conflict" lasting, or expected to last, more than a week. Congress would have 30 days to approve or pass a joint resolution of disapproval. The disapproval would have to withstand a presidential veto.

The War Powers Act, passed over Richard Nixon's veto in response to the Vietnam War, has been largely ignored by presidents ever since. The Commission's proposal would be the positive first step towards more restoring meaningful Congressional authority. But, unfortunately, the fear of being branded as soft on terrorism or not supporting our troops may make even this legislative power still too weak to matter in the face of a presidential veto.

Add that to the unbending Republican rejection of any tax increase, no matter how important the purpose or need, and we could be heading once again into a war we don't want without the

money to fight it.

We need an entirely new approach of sending our troops to battle that ensures the wars we wage are truly in our national interest, that we actually have the resources we need and that taps into an enduring American tradition of shared sacrifice when needed and when asked.

We should simply modify the War Powers Act so that every commitment of 50,000 US troops or more would automatically - without legislative action - trigger a broad, progressively levied surtax to pay for the costs of war. Taking this step acknowledges the needs of wars that are unanticipated (they all are,) costly (they all are) and have unpredictable paths (they all do.) The tax would sunset when all costs are paid.

An automatic War Surtax would ensure we have the resources to give our troops what they need to succeed and would guarantee that every American does their part, not just those that are being asked to sacrifice their lives on the battlefield.

America has a long history of presidential leadership and congressional action to increase revenues in times of war. Likewise, Americans have been repeatedly willing to sacrifice for national interests. For example:

- The Civil War was paid for by America's first income tax that generated \$55 million during the war. Paying income tax to support the war was viewed as an act of patriotism.
- A federal excise tax on telephone was established in 1898 during the Spanish- American war. It was repealed after the war, but reestablished or raised during WWI, WWII, Korean War and the Vietnam War.
- The War Revenue Act of 1917 imposed a progressive surtax on the incomes of most Americans.
- The Excess Profits Tax, a predominantly wartime fiscal instrument, was designed primarily to capture wartime profits that exceeded normal peacetime profits. These taxes were used extensively in WWI, WWII and the Korean War. They were repealed after each war.

Not all of these taxes were met with wild enthusiasm but popular reluctance to higher taxes, and in some cases war tax resistance, was tempered by a sense of patriotic duty and shared sacrifice. "It takes taxes to beat the Axis" declared the narrator to Donald Duck in a Disney short film produced during World War II.

Mere reluctance became Orwellian resistance in the Bush years. "Nothing is more important in the face of war than cutting taxes," House Majority Leader Tom DeLay declared in March 2003 as we went to war.

The Iraq war would have ended a lot sooner - and might have never started - if we were all asked to pay a monthly surtax that brought the costs and impacts of war into our living rooms as regularly as it is in homes of families with sons and daughters at war.

Simply stated, it should never be easier for elected representatives to send American troops to battle than to tax Americans to pay for it. And it shouldn't be easy for any of us to ignore the sacrifices our troops and their families make every day while at war.

An automatic war-tax would insulate decisions to go to war from election cycle tax politics. It would commit and connect every American to our national purpose and guarantee we have the funds to support our troops on the ground. It would guarantee that we don't continue the post-Vietnam tradition of disgracefully neglecting the needs of veterans when they come home with the social and physical damage created by war. It would mean that we wouldn't have to starve our schools, roads, health care and rob our future with crushing national debt. And it would cause us all to think a little harder about why and when we should go to a war.