



How Welfare States Die

For the fourth day running, France has been crippled by strikes. Airlines are canceling flights. Travelers making their way to Paris from de Gaulle and Orly face long delays.

Tourists are stranded. The Eiffel Tower was closed. Rail and subway traffic into the city has been curtailed. By shutting down refineries, French oil workers may cause a shutdown of gas stations and force the government to raid the strategic petroleum reserve.

Millions have gone on strike. One in ten high schools has been closed. Students at secondary schools and universities march beside workers and block entrances to paralyze the educational system. And what is the cause of this national tantrum?

President Nicolas Sarkozy has moved through the National Assembly and is pushing through the Senate a measure raising the retirement age for state pensions from 60 to 62. For if France does not raise that retirement age, its social security system will face a \$58 billion deficit by 2018. Sarkozy's reform follows his victory in repealing a decade-old Socialist law that mandated the 35-hour work week in France.

What world, one wonders, are these French living in?

Around 2050, those high school and college students will be near or above today's retirement age of 60. Who do they think is going to pony up for their pensions?

Today 23 percent of French men and women are 60 or older. That will rise to 33 percent by 2050, when there will be one French worker for each French retiree, if 60 is retained as the age of retirement.

Today 5.5 percent of French men and women are 80 or older. By 2050, that doubles to 11 percent. Who do the

French strikers think is going to pay the taxes for the medical expenses of this infirm and aged ninth of a nation?

Where the median age of the French is 40, in 2050 it will be 45. But that number disguises a far drearier reality.

Since 1970, the fertility rate of French women has been below the 2.1 children needed to sustain France's population, what demographers call zero population growth. For the next four decades until 2050, the fertility level of French women is projected to remain roughly 15 percent below ZPG.

Yet France's population of 62.6 million is projected to make a healthy leap to 67.7 million. How can a population continue to grow when the birth rate for almost 80 years running to 2050 is below replacement level?

Answer: As the French retire, age and die, France is filling up with immigrants coming to replace the departed and departing French and the millions of French children who were never born because their potential parents did not want them.

Where are the immigrants coming from?

Some come from Eastern Europe. But more are arriving from Morocco, Algeria, Tunisia, and the former French colonies of the sub-Sahara. Arabs and Africans are populating cities like Marseilles and Grenoble, and filling up the burgeoning banlieues around Paris, where every few years they go on a tear and burn thousands of cars. For Paris police, the *banlieues* are off-limits, except when traveling in platoons.

These immigrants do not bring the occupational skills, education, or language abilities of French youth. Most will not earn the wages and salaries of native-born French and thus not contribute the same level of taxes to sustain a welfare state constructed by a Socialist Party that has ruled France on and off for decades.

With the end of the 35-hour work-week and retirement at 60, the peeling back of social welfare benefits granted to the French in the salad days of socialism has only just begun. They can march and protest and strike, but they cannot avert the inevitable.

What is true of France is true of Europe, where not one nation has a fertility rate that will replace its native-born. Among Russians, Ukrainians, Estonians, Lithuanians, and Latvians, the death rate already exceeds the birth rate.

With the financial crisis of 2008-09, followed by the threatened debt default of one or more of the European Union PIGS (Portugal, Ireland, Greece, Spain), all of Europe also seems to be slashing defense budgets to save all they can of their welfare states. Which raises questions we debt-swamped Americans cannot put off forever. Why, 65 years after World War II, are we still defending these nations? When Europe has more wealth, more people, and a more lavish welfare state than we do, why should we impose sacrifices on our people to pay for the privilege of defending her people?

Instead of borrowing from Europe to defend Europe, why do we not charge them for providing that protection? If we are going to play Romans, why not demand tribute, as the Romans did? America is the first empire in history to pay tribute to its satraps. ■

Defense on a Diet

Cutting the Pentagon is a question of strategy—as well as fiscal sanity.

By W. James Antle III

IN HIS STATE of the Union address, President Barack Obama made an attempt to placate critics of his fiscal profligacy by proposing a three-year freeze in federal spending. Republicans immediately cried foul, noting that outlays would remain stuck at the administration's bloated levels. The more serious among them also point out that Obama excluded the biggest entitlement programs—Medicare, Medicaid, and Social Security—making his moratorium no exercise in spending restraint at all.

Yet there were fewer objections to the fourth category of spending Obama exempted: expenditures “related to our national security.” No one wants the federal government to pinch pennies when it comes to its paramount constitutional responsibility, protecting the physical security of the United States. But the Cato Institute's Christopher Preble and the National Security Network's Heather Hurlbut argued shortly afterward in *Politico* that much of what is spent in the name of security serves no such purpose.

Even freezing defense spending at current levels would be an expensive bargain: the Pentagon's base budget was \$548.9 billion in fiscal 2011. That's not counting the additional \$182 billion requested that year for the wars in Iraq and Afghanistan, conflicts that have already cost the country \$1 trillion. Costs can be expected to rise even more: inflation-adjusted military spending has increased by 60 percent over the past decade, prompting Preble and Hurlbut to write, “because our national security rests on our economic health as well

as on the strength of our military, a liberal and a libertarian can agree that the Pentagon should no longer get a pass.”

Such agreement is easy enough to find among think-tank academics, especially those employed by institutions that specifically advocate limited government or scrutinize the military-industrial complex. But there's far less appetite for it on Capitol Hill, especially among the Republican congressmen currently beating their chests about excessive government spending—though Democrats are seldom much better.

Congressmen Barney Frank (D-Mass.) and Ron Paul (R-Tex.) have set out to put defense cuts on the agenda through the recommendations of their Sustainable Defense Task Force, convened for the House Oversight and Government Reform Subcommittee on National Security and Foreign Affairs. Trying to rein in military spending in an era of out-of-control deficits and debt, task force participants took aim squarely at what is most costly: the extent of America's commitments abroad. Promising “a more efficient defense” and “realistic goals, sustainable strategy,” the group put out a report containing an ambitious list of more than a dozen possible cuts saving nearly \$1 trillion in ten years.

The Frank-Paul collaboration would reduce the U.S. military presence in Europe and Asia by one-third and shrink our overall forces accordingly. Similar reductions would accompany withdrawal from Iraq and Afghanistan. The Navy battle fleet would be cut from 286 ships to 230. F-35 fighter procurement

would be reduced by 220 aircraft; the MV-22 Osprey and the Expeditionary Fighting Vehicle would also be cut. The nuclear arsenal would be reduced, and there would be selective cuts to missile defense and space-based weapons.

Frank and Paul want the effort to be bipartisan, and they are joined by Rep. Walter Jones (R-N.C.) and Sen. Ron Wyden (D-Ore.). The Sustainable Defense Task Force report appeals to conservatives early on, with the Hoover Institution's Kori Schake writing, “Conservatives need to hearken back to our Eisenhower heritage.” The number of legislators who have signed on, particularly conservative ones, remains small—but it's a start. Consider that Rep. Paul Ryan's (R-Wis.) “Roadmap,” widely regarded as a blueprint for tackling the looming entitlements crisis, has only nine cosponsors. On the other side, Frank told reporters that if more of his fellow Democrats don't agree to look at the defense budget “then every other issue will suffer.”

Not everyone has embraced the task force's handiwork. The Heritage Foundation's Elizabeth Petrum warns “enacting such recommendations would have dramatic implications for U.S. military superiority, consequences hardly discussed.” *National Review's* Kevin Williamson complained in a piece entitled “How Not to Cut Military Spending,” “What we discover in this report is not a budgetary document, but a pacifists' manifesto.” The Sustainable Defense Task Force achieves its biggest savings by making sweeping changes in defense policy, not by canceling \$700 toilet seats, and was written with the help of peace groups.