

Defunding the World's Policeman

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Over the past two years there has been a growing movement to “defund” the police. The movement was accelerated by the death of George Floyd at the hands of local policemen who overreacted to a difficult situation. As a result, the country experienced an outbreak of violence and rioting culminating in efforts to minimize the effectiveness of police by removing the ability to pay them for their services. Punishing all police for doing their job because there are a few errant cops is contributing to a surge in crime rates across the country. A reduced police presence has encouraged more crime, especially against innocent bystanders. As a result, there has been a record surge in the purchase of guns and related defense equipment by people who fear for their lives and feel the need to protect themselves. So far in 2021 there has been limited rioting and reduced demands for defunding the police perhaps because the surge in crime statistics have given many demonstrators a cause for reflection.

Last Saturday, the Wall Street Journal was focused on the decision of the U.S. to withdraw from fighting the Taliban in Afghanistan. Suddenly, from being the world's policeman against forces that attempted to overthrow legitimate governments, the U.S. is backing away from such commitments. First it was our withdrawal from Iraq, leaving the country open to the rebirth of ISIS and the infiltration of military forces from Iran. Many of that country's politicians are urging the U.S. to withdraw as soon as possible. Once U.S. forces are gone, there is likely to be an attempt to overthrow the Iraqi government.

Second, as we found out this morning, the U.S. is in a panic trying to withdraw from Afghanistan as the Taliban took over the country. President Biden had sent in thousands of troops to help protect the withdrawal of both military and civilian personnel from the country but has since abandoned the commitment to support an orderly withdrawal. As an ex-Vietnam veteran, Tom can recall a similar withdrawal as the North Vietnamese troops swept in and quickly declared victory almost before the U.S. had withdrawn.

During the past twenty years, the U.S. has spent trillions of dollars attempting to defend legitimately elected governments. These actions reflected our post World War II responsibility as the world's policeman. Now it appears that the powers in Washington D.C. may have decided to defund international law enforcement. The manifestation of this decision as reflected in both Iraq and Afghanistan may be replicated across the globe in coming years as weak governments fall prey to revolutionaries and their desire for power. The last global peace officer's weapon is the threat of sanctions against countries that are unwilling to provide for democratic solutions to economic and political problems. So far that response has not produced any positive outcomes.

One big question for investors is: “Will the U.S. continue to spend trillions of dollars like were squandered on Iraq and Afghanistan, use those funds to upgrade our cybersecurity strengths to ensure ongoing national security or will the world's peace officer decide to retire.”