

# Donald Trump's War Cabinet. Will Rising Military Spending Trigger A Fiscal Meltdown?

America's State Wreck Gathers Steam

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*Last week the Donald's incipient trade war got Wall Street's nerves jangling, but that wasn't the half of what's coming.*

To wit, Trump has now essentially formed a War Cabinet and signed a Horribus spending bill that is a warrant for fiscal meltdown. Indeed, the two essentially comprise a self-fueling doom loop which means Washington's descent into fiscal catastrophe is well-nigh unstoppable; it's all over except for the screaming in the bond pits.

That is, Trump's new War Cabinet of John Bolton, Mike Pompeo, Gina Haspel and Mad Dog Mattis is arguably the most interventionist, militarist, confrontationist and bellicose national security team ever assembled by a sitting President. We cannot think of a single country that has even looked cross-eyed at Washington in recent years where one or all four of them has not threatened to drone, bomb, invade or decapitate its current ruling regime.

That means Imperial Washington's rampant War Fever owing to the Dem-left declaration of war on Russia and Putin is now about to be drastically intensified by the complete victory of the neocon-right in the Trump Administration. The result will be sharpened confrontation, if not actual outbreak of hostilities, across the full spectrum of adversaries—Iran, Russia, China, Syria and North Korea—and an escalating tempo of military operations and procurement to implement the policy.

At the same time, the Donald's pathetic Fake Veto maneuver on Friday cemented the special interest lobbies' absolute control over domestic appropriations. Of course, Chuckles Schumer and Nancy Pelosi crowed loudly about the **\$63 billion** annual domestic spending increase they got in return for the Donald's **\$80 billion** defense add-on, but the victory was not partisan; it belonged to the Swamp creatures who suckle the politicians of both parties and own the appropriations committees lock, stock and barrel.

To be sure, upon folding at mid-day from his four-hour's earlier veto tweet, the Donald promised "never again", but his reason for signing the most wasteful, pork-ridden appropriations bill of this century tells you all you need to know. To wit,

"There are a lot of things I'm unhappy about in this bill. There are a lot of things that we shouldn't have had in this bill, **but we were in a sense forced if we want to build our military,**" Trump said. "I said to Congress, I will **never sign** another bill like this **again.**"

Au contraire. As long as he lasts in office, the Donald will be signing budget busters far worse than this one because the aggressive foreign policies of his War Cabinet will drive the pace of national security spending dramatically higher than the record **\$695 billion** he signed into law last week; and these “must have” increases for pay, operations, ammo, spare parts, training, readiness and weapons replacement/augmentation will not get through the Congress until the bipartisan porkers have had their fill on the domestic side.

Your editor experienced long ago the toxic fiscal equation which arises when **hawks and militarists take control of foreign policy and the defense budget**. What you get is a “guns and butter” log-rolling dynamic as defense advocates on the spending committees buy the votes of colleagues whose snouts have penetrated deeply into the domestic pork barrel or whose paymasters inhabit the vast expanse of the health, education and social welfare complex.

That’s what stopped cold the Gipper’s short-lived attack on Big Government after 1981, and why the hawk-dominated GOP has been such a dismal failure on the fiscal front ever since.

But the Trumpite/GOP has brought guns and butter log-rolling to a whole new level of fiscal profligacy. And the overwhelming share of the blame for the resulting Horribus appropriations bill—which will raise spending by **\$143 billion** this year and **\$2.4 trillion** over the next decade—rests squarely with the incumbent member of Trump’s new War Cabinet, SecDef James Mattis.

Not only does his brazen bellicosity and demented militarism rival that of the other three members of Trump’s new War Cabinet, but Mattis also spent a 40 year career sucking the hind teats of the Warfare State, where he apparently never met a military budget that was big enough.

That is to say, Mattis is not remotely the “warrior monk” or “military intellectual” the fawning mainstream press makes him out to be. He’s actually a gung-ho bull-in-the-china-shop who defines his mission as complete obliteration of any foe who comes along; and which is to be accomplished by the assembly of overwhelming military capabilities and firepower.

Stated differently, the quotes below are not the expressions of a subtle mind. They reflect the mindset of the bombastic militarist who should have never, ever been let near the top post at the Pentagon, and who is the architect of the Donald’s hideously bloated defense budget and new long-term strategic plan for unaffordable, insensible global military dominance:

“The first time you blow someone away is not an insignificant event. That said, there are some assholes in the world that just need to be shot.....**I come in peace. I didn’t bring artillery. But I’m pleading with you, with tears in my eyes: If you fuck with me, I’ll kill you all.**”

Unlike most of the American generals who have been waging and loosing pointless wars over the last half century while cheerfully checking the boxes on the way to their post-retirement bonanzas, Mattis never got over it. He blitzed the enemy as an assault battalion commander in the first Gulf War, brought carnage to the Pashtun villages of southern Afghanistan and obliterated Fallujah (Iraq) twice—without ever noticing that he was not winning any wars, but just dispensing random high-tech violence at huge cost in

blood (theirs), treasure (ours) and blowback (throughout the Muslim world).

Indeed, Mattis' apparent lesson was that America needed massive military dominance to pacify an uncooperative world, and the Donald fell for it hook, line and sinker.

Yet in today's world, America has no industrial state enemies remotely capable of and/or motivated to threaten the homeland. Indeed, the only real homeland defense we need is our nuclear retaliatory force of land-based ICBMs, sea-based Trident missiles and DOD's 5,000 active and standby nuclear warheads—all of which were bought and paid for long ago.

That is, America doesn't need no stinkin' defense build-up, and could slash what it's already spending by **\$250 billion** per year without harming national security in the slightest.

That is also to say, neither Russia nor China is about to invade the American homeland with conventional forces because neither has even 5% of the necessary air-lift, sea-lift and power projection capacity that would be needed—even if they were ruled by lunatics, which they most assuredly are not.

Likewise, Russia and China are not suicidal enough to launch a first nuclear strike or attempt nuclear blackmail.

And beyond that, the even more dispositive point is that the very thought of hostile action against the American homeland would amount to an economic death warrant for either power.

That's because in the case of the Red Ponzi, the Donald is absolutely right about its massive trade imbalance. China's **\$510 billion** per year of exports to the US do not represent free and fair trade in the historic sense: They are an absolute freak of economic nature stemming from the massive central bank money printing spree of the last 25-years and the egregious mercantilism that Beijing has instituted to exploit it and to build the greatest credit-fueled house of cards in human history.

Accordingly, if China were to threaten the US militarily, the resulting embargo on Chinese goods would cause its economy to plunge into a thundering collapse within six months: To wit, America's spacious closets are already stuffed full of enough junk from China—including every variety of Apple device—to last for years, while China's debt-ridden production chain on the margin survives hand-to-mouth on export orders.

And as for Russia, pulleese!

Its entire GDP of **\$1.5 trillion** is less than that of the New York metro area, and only **8%** of the US economy as a whole. The very idea that it's a military threat to America is just flat out ludicrous; and that is in no way changed by Putin's recent hints that Russia has developed a new class of non-ballistic strategic weapons that are not vulnerable to US ABM defenses.

But of course!

It was the US and John Bolton specifically during his stint as head of arms control at the Bush State Department that caused the expiration of Nixon's ABM treaty. And in light of the subsequent drive toward a US missile defense system, what does another power that wishes to preserve the credibility and efficacy of its nuclear deterrent or retaliatory strike capability

do?

Why, it finds a way around the ABMs to insure that no adversary is tempted to launch a pre-emptive first strike while secure from retaliation in a protective ABM cocoon. That's exactly what the old MAD playbooks recommend, and what Russia, apparently, actually did.

So why does Mattis want **\$700 billion** per year of force structure, readiness and massive weapons upgrades this year, which is just a down payment on an embedded defense bow-wave that will quickly rise towards **\$1 trillion** annually?

A good part of the answer is sheer economic ignorance. Mattis along with the career national security apparatchiks who now comprise the Donald's new War Cabinet are making the same mistake as their cold war forebears did about the old Soviet Union.

The latter was always destined to collapse under the weight of command and control centralization and ersatz socialism; it was only a matter of funding a strategic deterrent and waiting out the collapse that finally came, and swiftly, too.

There was never any need for the massive conventional forces that were kept in being during the Cold War, and especially not the huge Reagan build-up. The latter essentially funded an expeditionary armada designed for invasion and occupation—an unneeded capability that eventually led to the follies of Washington's serial military interventions in the Middle East.

That is even truer today. ISIS was a short-lived menace that arose from Washington's interventions in Iraq and Syria, and has now been largely extinguished by its mortal 13-century old Shiite enemy: That is, the Shiite coalition of the Iraqi government in Baghdad, Iran, the Assad regime in Syria and the Hezbollah fighters of Lebanon.

There is nothing else from that region that threatens the safety and security of the citizens of Lincoln NE or Springfield MA, and most especially not the Iranians and their Shiite allies. The Iranians never had a nuclear weapons program, even by the lights of the 17-agency NIEs (national intelligence estimates) from 2007 onwards, and they have now precluded the possibility by agreeing to the Obama nuke deal.

The fact is, Iran is not a terrorist state—even if its theocracy falls far short of democratic ideals, and even if its leaders do fulminate against the Great Satan in Washington.

After all, during the past 65 years Washington has attacked the Iranian people by installing a brutal, larcenous puppet regime under the Shah from 1953-1979; siding with Iraq when the latter invaded Iran during the 1980s; and by demonizing and attempting to destabilize it ever since.

The entire case against Iran has been concocted by Israeli Prime Minister Netanyahu and the coalition of right-wing parties upon which his rule depends. They claim the Tehran regime is an existential threat to Israel's survival, but that's ridiculous when they have upwards of 100 nukes and the Iranians have none, and when the Israeli air force has the capacity to turn Iran's limited attack forces into a smoldering heap of twisted metal on a moment's notice.

The Israeli claim that Hezbollah is a lethal Iranian dagger pointed at its survival is equally upside down. In fact, Israel's repeated brutal occupations of the Shiite regions of southern

Lebanon is what brought Hezbollah into existence, and at length has made it the largest political party in this religiously fractured country.

In that context, the main reason Iran supplies Hezbollah with arms is to deter a US/Israel attack; and also because like any other sovereign nation it is allowed to have a foreign policy, including one based on shared confessional ties.

We remonstrate on these matters because when it comes to Iran the Donald's new War Cabinet is a wholly owned subsidiary of Bibi Netanyahu. Bolton and Pompeo are absolutely rabid in their desire to make war on Iran, and Mad Dog Mattis is not far behind.

Yet it cannot be stated strongly enough: Iran proposes no military threat to the American homeland whatsoever; it has never been involved in a terrorist incident or even plot against America or Europe for that matter; and its religious and political quarrel with the Saudis is absolutely none of Washington's business.

As we have frequently observed, it really doesn't matter who controls the vast hydrocarbon deposits surrounding the Persian Gulf—Sunni or Shiite, dictators or democrats, Arabs or Persians. That's because they all desperately need the revenue. And if oil prices should temporarily spike due to local wars or political upheaval, the cure for high prices is the global free market, not the US fifth fleet.

The truth of the matter is that a unilateral US military attack on Iran would be tantamount to a war crime—as the Nuremberg trials defined “wars of aggression”. And that is why the Donald's mindless and groundless conviction that the Iran nuclear accord is the worst deal ever made by the US government is so pregnant with danger.

To a person, his new War Cabinet will be in the business of scratching and clawing the Donald's itch. Their modus operandi will be to sabotage the greatest breakthrough for world peace in decades on May 12 when the next certification of Iranian compliance arrives.

Once the nuclear deal is ash-canned, in turn, the War Cabinet will revive their historically false claims that the Iranian's are on the verge of gaining nuclear weapons. That's even if they merely restart their enrichment plant at Natanz, which they would have every right to do in the event of Washington's unilateral abrogation.

From there the war drums would start beating loudly in Imperial Washington for a pre-emptive attack to stop them—a speciously Nuremburg compliant attack, as it were.

Regardless of how this scenario plays out in concrete detail and time frame, one thing is certain. A rising crescendo of tensions and confrontations with all of the War Cabinet's targets—Iran, Syria, Russia, China and North Korea—is fast coming down the pike. And that means an even larger burst in defense spending is not far behind.

All the while, of course, the Freedom Caucus stumbles around helping to slash tax revenues to **16.6%** of GDP—the lowest level since the late 1940s—even as it welcomes the Donald's War Cabinet and kvetches about soaring entitlements and the Horribus appropriations bill that a good portion of its membership acquiesced to.

And they are the purported fiscal good guys!

Yes, it is a doom loop and there is not a chance in the hot place of avoiding the fast arriving

bond market “yield shock” that will make mincemeat out of today’s incorrigible dip buyers.

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