

Rising Military Expenditure: The Coming U.S. Budget Attack

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The United States is moving backwards... fast. State budget cuts are decimating essential health and social services; public education is being destroyed; the social safety net is in tatters. To make matters worse, all of this is occurring when the loss of jobs stands at a twenty-six year high with no end in sight.

But this is only phase one. The federal government intends to balance its books too, at the expense of society's neediest. Instead of governors presiding over painful cuts, the President will be doing the gutting. And although his proposed budget isn't due until February, the President's spokespeople are priming the media to play a major propaganda role in what will be a colossal blow against working and poor people.

Obama's Treasury Secretary, Timothy Geithner, has been particularly busy promoting the future cutbacks, repeating that "the country must live within its means;" "deficits must be brought down dramatically" — something that will "require very hard choices."

What are these hard choices? One possible option is no longer available. The biggest annual deficit producer is the U.S. military, which Obama will not radically reduce. Instead, he will increase it; Taxpayers will pay \$660 billion (!) in 2010 toward the military. And maybe more — military commanders see more fighting in the future, not less; consequently, they want more money. The New York Times reports:

"...Admiral. Mike Mullen, the chairman of the Joint Chiefs of Staff, did not say how much additional money would be needed, but one figure in circulation within the Pentagon and among outside defense budget analysts is \$50 billion." (November 4, 2009).

Senate Democrat John Murtha thinks only \$40 billion extra will do the trick, making the military budget an even \$700 billion for 2010.

A different "hard choice" that could fix the deficit is to drastically raise taxes on the very wealthy. To this end, Obama has made the wholly-inadequate pledge to "roll back the Bush tax cuts." Taxing the super-rich an extra 4 percent isn't going to do the trick; not even close. At bare minimum, their taxes should be raised an additional 35 percent, to the pre-Regan level. But Obama would never propose such an idea.

The solutions Obama has proposed are the ones that Geithner is actually referring to when he says "very hard choices." Last January, Obama told the conservative Washington Post

that, to lower deficits, he would “reform entitlement programs” — social security, Medicare, etc. Reform in this case means to eliminate, or drastically reduce. The Washington Post reports:

“President-elect Barack Obama pledged yesterday to shape a new Social Security and Medicare “bargain” with the American people, saying that the nation’s long-term economic recovery cannot be attained unless the government finally gets control over its most costly entitlement programs.”

When will this happen? The Post answers: “[the] administration will begin confronting the issues of entitlement reform and long-term budget deficits soon after it jump-starts job growth and the stock market.” (January 16, 2009). The upward swing in the stock market gave Geithner the green light to begin his anti-entitlement public relations campaign.

By choosing not to drastically reduce military spending and not to greatly increase taxes for the super rich and corporations, Obama will have few other options: the federal deficit is too high, especially after the Bush/Obama bank bailouts.

These bailouts, combined with decades of reduced taxes for the very wealthy, created the conditions that led to our “deficit crisis.” The solution that Obama is proposing will further devastate millions already suffering from unemployment, unlivable wages, and little hope for the future.

It can be further presumed that, while Obama is getting the U.S. “financial house in order,” the Federal Reserve will assist by increasing interest rates — something demanded by U.S. foreign creditors — thereby significantly risking cutting into Wall Street’s most recent profits and opening up the possibility of transforming our Great Recession into another full-blown depression.

This is not a matter of “if,” but “when.” The imbalances in the U.S. economy are too massive; a giant “restructuring” must take place. The bank bailouts merely intensified the already enormous economic contradictions. Who pays for this restructuring will shape the future for years to come. As Obama implements his anti-worker plan, he will encounter tremendous resistance. The once-loved President will leave office more hated than Bush.

Once the Obama illusion is completely shattered, workers can begin to act independently. We must demand that the corporate elite pay for the crisis they created. Their efforts to push this crisis onto us must be fought at every step. This can be done by clearly articulating our solutions to the crisis — taxing the super-rich and the corporations, a massive public works campaign, and ending foreign wars (for starters) — and promoting these ideas through local and national coalitions of labor unions, community groups, students, the unemployed, etc. If we are united and fighting for a clear vision of the future, we will win. If we rely on the Democrats to solve this problem our fate is sealed.

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