

2010 Pentagon Budget: Largest Yet and Growing

On Oct. 28, 2009, President Barack Obama signed the 2010 Defense Authorization Act, the largest military budget in U.S. history.

It is not only the world's largest military budget but is larger than the military expenditures of the whole rest of the world combined. And it is growing nonstop. The 2010 military budget — which doesn't even cover many war-related expenditures — is listed as \$680 billion. In 2009 it was \$651 billion and in 2000 was \$280 billion. It has more than doubled in 10 years.

What a contrast to the issue of health care

The U.S. Congress has been debating a basic health care plan — which every other industrialized country in the world has in some form — for more than six months. There has been intense insurance company lobbying, right-wing threats, and dire warnings that a health care plan must not add one dime to the deficit.

Yet in the midst of this life-and-death debate on medical care for millions of working and poor people who have no health coverage, a gargantuan subsidy to the largest U.S. corporations for military contracts and weapons systems — a real deficit-breaker — is passed with barely any discussion and hardly a news article.

Physicians for a National Health Program estimates that a universal, comprehensive single-payer health plan would cost \$350 billion a year, which would actually be the amount saved through the elimination of all the administrative costs in the

current private health care system — a system that leaves out almost 50 million people.

Compare this to just the cost overruns each year in the military budget. Even President Obama on signing the Pentagon budget said, “The Government Accountability Office, the GAO, has looked into 96 major defense projects from the last year, and found cost overruns that totaled \$296 billion.” (whitehouse.gov, Oct. 28, 2009)

Bernard Madoff’s \$50-billion Ponzi scheme, supposedly the biggest rip-off in history, pales in comparison. Why is there no criminal inquiry into this multibillion-dollar theft? Where are the congressional hearings or media hysteria about \$296 billion in cost overruns? Why are the CEOs of the corporations not brought into court in handcuffs?

The cost overruns are an integral part of the military subsidy to the largest U.S. corporations. They are treated as business as usual. Regardless of the party in office, the Pentagon budget grows, the cost overruns grow and the proportion of domestic spending shrinks.

Addicted to war

This year’s military budget is only the latest example of how the U.S. economy is kept afloat by artificial means. Decades of constantly reviving the capitalist economy through the stimulus of war spending has created an addiction to militarism that U.S. corporations can’t do without. But it is no longer large enough to solve the capitalist problem of overproduction.

The justification given for this annual multibillion-dollar shot in the arm was that it would help to cushion or totally avoid a capitalist recession and could curb unemployment. But as Marxist theoretician Sam Marcy warned in 1980 in *Generals Over the White House*, over a protracted period more and more of this stimulant is needed. Eventually it turns into its opposite

and becomes a massive depressant that sickens and rots the entire society.

The root of the problem is that as technology becomes more productive, workers get a smaller and smaller share of what they produce. The U.S. economy is more and more dependent on the stimulant of super-profits and multibillion-dollar military cost overruns to soak up a larger and larger share of what is produced. This is an essential part of the constant redistribution of wealth away from the workers and into the pockets of the super-rich.

According to the Center for Arms Control and Non-Proliferation, U.S. military spending is now significantly more, in 2009 inflation-adjusted dollars, than it was during the peak years of the Korean War (1952: \$604 billion), the Vietnam War (1968: \$513 billion) or the 1980s Reagan-era military buildup (1985: \$556 billion). Yet it is no longer enough to keep the U.S. economy afloat.

Even forcing oil-rich countries dependent on the U.S. to become debtor nations with endless weapons purchases can't solve the problem. More than two-thirds of all weapons sold globally in 2008 were from U.S. military companies. (Reuters, Sept. 6, 2009)

While a huge military program was able in the 1930s to pull the U.S. economy out of a devastating collapse, over a long period this artificial stimulus undermines capitalist processes.

Economist Seymour Melman, in books such as *Pentagon Capitalism, Profits without Production* and *The Permanent War Economy: American Capitalism in Decline*, warned of the deterioration of the U.S. economy and the living standards of millions.

Melman and other progressive economists argued for a rational "economic conversion" or the transition from military to civilian production by military industries. They explained how one B-1 bomber or Trident submarine could pay the salaries of thousands of teachers, provide scholarships or day care or rebuild roads. Charts and graphs showed that the military budget employs far fewer workers than the same funds spent on civilian needs.

These were all good and reasonable ideas, except that capitalism is not rational. In its insatiable drive to maximize profits it will always choose immediate super-profit handouts over even the best interests of its own long-term survival.

No “peace dividend”

The high expectations, after the end of the Cold War and the collapse of the Soviet Union, that billions of dollars could now be turned toward a “peace dividend” crashed against the continued astronomical growth of the Pentagon budget. This grim reality has so demoralized and overwhelmed progressive economists that today almost no attention is paid to “economic conversion” or the role of militarism in the capitalist economy, even though it is far larger today than at the highest levels of the Cold War.

The multibillion-dollar annual military subsidy that bourgeois economists have relied on since the Great Depression to prime the pump and begin again the cycle of capitalist expansion is no longer enough.

Once corporations became dependent on multibillion-dollar handouts, their appetite became insatiable. In 2009, in an effort to stave off a meltdown of the global capitalist economy, more than \$700 billion was handed over to the largest banks. And that was just the beginning. The bailout of the banks is now in the trillions of dollars.

Even \$600 billion to \$700 billion a year in military spending can no longer restart the capitalist economy or generate prosperity. Yet corporate America can't do without it.

Military budget threatens to devour all social funding

The military budget has grown so large that it now threatens to overwhelm and devour all social funding. Its sheer weight is squeezing out funding for every human need. U.S. cities are collapsing. The infrastructure of bridges, roads, dams, canals and

tunnels is disintegrating. Twenty-five percent of U.S. drinking water is considered “poor.” Unemployment is officially reaching 10 percent and in reality is double that. Black and Latino/a youth unemployment is more than 50 percent. Fourteen million children in the U.S. are living in households below the poverty level.

The announced 2010 military budget of \$680 billion is really only about half of the annual cost of U.S. military expenditures.

These expenditures are so large that there is a concerted effort to hide many military expenses in other budget items. The War Resisters League annual analysis listed the real 2009 U.S. military expenses at \$1,449 billion, not the official budget of \$651 billion. Wikipedia, citing several different sources, came up with a total military budget of \$1,144 billion. Regardless of who is counting, it is beyond dispute that the military budget actually exceeds \$1 trillion a year.

The National Priorities Project, the Center for Defense Information and the Center for Arms Control and Non-Proliferation analyze and expose many hidden military expenses tucked into other parts of the total U.S. budget.

For example, veterans’ benefits totaling \$91 billion are not included in the Pentagon budget. Military pensions totaling \$48 billion are stuck into the Treasury Department budget. The Energy Department hides \$18 billion in nuclear weapons programs in its budget. The \$38 billion financing of foreign arms sales is included in the State Department budget. One of the largest hidden items is the interest on debt incurred in past wars, which totals between \$237 billion and \$390 billion. This is really an endless subsidy to the banks, which are intimately linked to the military industries.

Every part of these bloated budgets is expected to grow by 5 percent to 10 percent a year, while federal funding to states and cities is shrinking by 10 percent to 15 percent annually, leading to deficit crises.

According to the Office of Management and Budget, 55 percent of the total 2010 U.S. budget will go to the military. More than half! Meanwhile, federal block grants to states and cities for vital human services — schools, teacher training, home-care programs, school lunches, basic infrastructure maintenance for drinking water, sewage treatment, bridges, tunnels and roads — are shrinking.

Militarism breeds repression

The most dangerous aspect of the growth of the military is the insidious penetration of its political influence into all areas of society. It is the institution that is the most removed from popular control and the most driven to military adventure and repression. Retired generals rotate into corporate boardrooms, become talking heads in major media outlets, and high-paid lobbyists, consultants and politicians.

It is not a coincidence that along with having the world's largest military machine, the U.S. has the world's largest prison population. The prison-industrial complex is the only growth industry. According to the U.S. Justice Department's Bureau of Justice Statistics, more than 7.3 million adults were on probation or parole or incarcerated in 2007. More than 70 percent of the incarcerated are Black, Latino/a, Native and other people of color. Black adults are four times as likely as whites to be imprisoned.

Just as in the military, with its hundreds of thousands of contractors and mercenaries, the drive to maximize profits has led to the growing privatization of the prison system.

The number of prisoners has grown relentlessly. There are 2.5 times more people in the prison system today than 25 years ago. As U.S. capitalism is less and less able to provide jobs, job training or education, the only solutions offered are prisons or the military, wreaking havoc on individuals, families and communities.

Published November 7, 2009