

## **The Deficit, Budget Cuts and the 2011 Pentagon Budget**

The money the U.S. government will spend this year on the Pentagon and its wars, past and present, is approaching the total of the budgets of all 50 U.S. states combined.

Even as funding for education, health care, parks and recreation, senior centers, environmental protection, and all the other vital services provided by federal, state and local governments is being cut, the Pentagon budget is continuing to grow.

In the current fiscal year (FY2011), the budget for the Department of Defense, including what is to be spent on the wars in Iraq and Afghanistan, comes to \$876 billion including supplemental funds for Iraq and Afghanistan — a big increase over last year.

However, this is only part of the enormous cost of U.S. militarism. Add to that the \$522 billion being spent this year to cover the cost of past wars, including veterans' benefits and interest on the debts incurred to pay for war, and the total amount becomes \$1.39 trillion. (War Resisters League)

The money that all 50 state governments spend for everything they do is expected to add up to \$1.43 trillion this year. It may not get that high. State budgets are being drastically shrunk as federal monies and tax revenues dry up; new cuts are being announced every week.

Increasingly the billions wasted on war are aggravating the deteriorating conditions for tens of millions of workers and their families. It is up to the most determined political activists to connect the dots and make the connections widely known.

When protesters at the closing of a hospital, school or library chant: “Health care, not war!” “Education, not war!” “Jobs, not war!” or “Feed the people, not the Pentagon!” these are more than just slogans. They reflect the reality of every state and city facing an unsolvable budget crisis and cuts at a time when the only authorized funding increases are for the military budget and repression at home.

The script is the same everywhere. Workers are told that due to a sharp decline in tax revenue, there is no money for state, county and city projects. What isn’t said is that the decline in taxes is caused by a capitalist economic crisis, where the bosses deal with the collapse of the markets by throwing workers out of their jobs.

Hospitals, schools, libraries, recreation centers, after-school programs and health clinics are forced to close or dramatically cut their staffs, hours and programs for lack of funding, not for lack of need. But there are no moves to freeze interest payments on tax-exempt bonds held by banks and multi-millionaires.

Of course, a dramatic increase in funds from the federal government could immediately ease this crisis that the working class is facing. A massive federal jobs program and an emergency moratorium on housing foreclosures and evictions are needed.

The federal government has instead committed \$10.5 trillion to bailing out the banks. And on Feb. 1, 2010, President Barack Obama announced that this year’s federal budget contained a three-year hard freeze on all nonmilitary discretionary funding.

The announcement drew scant media attention at the time. But the impact is being felt now and the pain of the drastic freeze will be increasingly felt. Because of inflation and population increases, the three-year freeze is actually an annual and cumulative cut in funds to states and cities.

**With a decline of 10 percent in revenue from state and local taxes, every governor, mayor and city council is claiming that it is impossible to solve their budget**

**gaps except by attacking the living standards of working people and the poor. Union contracts are being shredded and public workers illegally furloughed in total violation of these legal documents.**

Social programs will face further cuts than just those caused by inflation because almost half of military spending is hidden in discretionary funding. President Obama's announcement made it clear that there would be no freeze in military funding. Protected multibillion-dollar programs include foreign arms sales, nuclear weapons maintenance and policy-driven foreign assistance programs.

### **Capitalism and militarism**

This budget freeze, announced as a measure to rein in the deficit, will supposedly save \$250 billion over 10 years. That is less than 3 percent of the \$9 trillion that is projected to be added to the national debt during this period.

Despite all the promises and all the hype, this freeze in discretionary funding confirms that there are no plans to create millions of jobs, halt millions of scheduled foreclosures or reconstruct the deteriorating infrastructure.

The only planned increases are in the trillions of dollars for high-tech weapons systems that generate superprofits for the giant military corporations. The military budget is projected to grow by at least 5 percent a year. There was no congressional or corporate media opposition to this multibillion-dollar deficit buster.

The \$250 billion saved over 10 years in the freeze of discretionary funding will be quickly squandered. The Pentagon plans to spend \$240 billion on 2,400 new Joint Strike Fighter planes, at \$100 million a plane.

And it will be gobbled up in one year in military cost overruns. President Obama on signing the 2010 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)

A big chunk of every state and city budget is interest payments to banks and bondholders for past projects. These interest payments must be made on time and in full or the bankers threaten their credit rating and all future loans, creating a worse financial crisis.

**The federal budget deficit is caused by the hundreds of billions handed out annually over decades to the military corporations and the trillions of dollars handed to the banks to guarantee their profits. The debt also ballooned when the government drastically cut taxes on the rich.**

In the face of this crisis for the working class, it is essential that Marxists explain in all of their literature and campaigns some basic facts of capitalism. The workers create all the fabulous wealth of the capitalist system. The economic crisis is not caused by giving the workers too much. It is caused by the unplanned overproduction of goods that are too numerous to be sold at a profit by the capitalist owners. Even spending trillions of dollars on military expenditures is no longer enough to sop up this overproduction.

Another part of federal, state and city budgets that the capitalist decision makers will not cut is expenses for police, prisons and courts. This repressive role of the capitalist state functions at every level, from 1,000 military bases around the world to police and cameras on every corner. It is an indispensable part of protecting profits, not human lives.

### **Federal budget freeze**

It is essential for political activists to look closely at what drastic cuts are being projected to begin to plan counteroffensives with the workers who will be most directly impacted.

The federal budget freeze will cause immediate and continuing reductions in agencies such as Health and Human Services, which funds low-income preschool Head Start programs; aid to pregnant women, infants and seniors; food and drug safety; and disease prevention. It will impact Housing and Urban Development, which provides funds for affordable housing, antipoverty programs and infrastructure development. These two departments, along with transportation, agriculture and energy, receive a combined \$250 billion in federal funding.

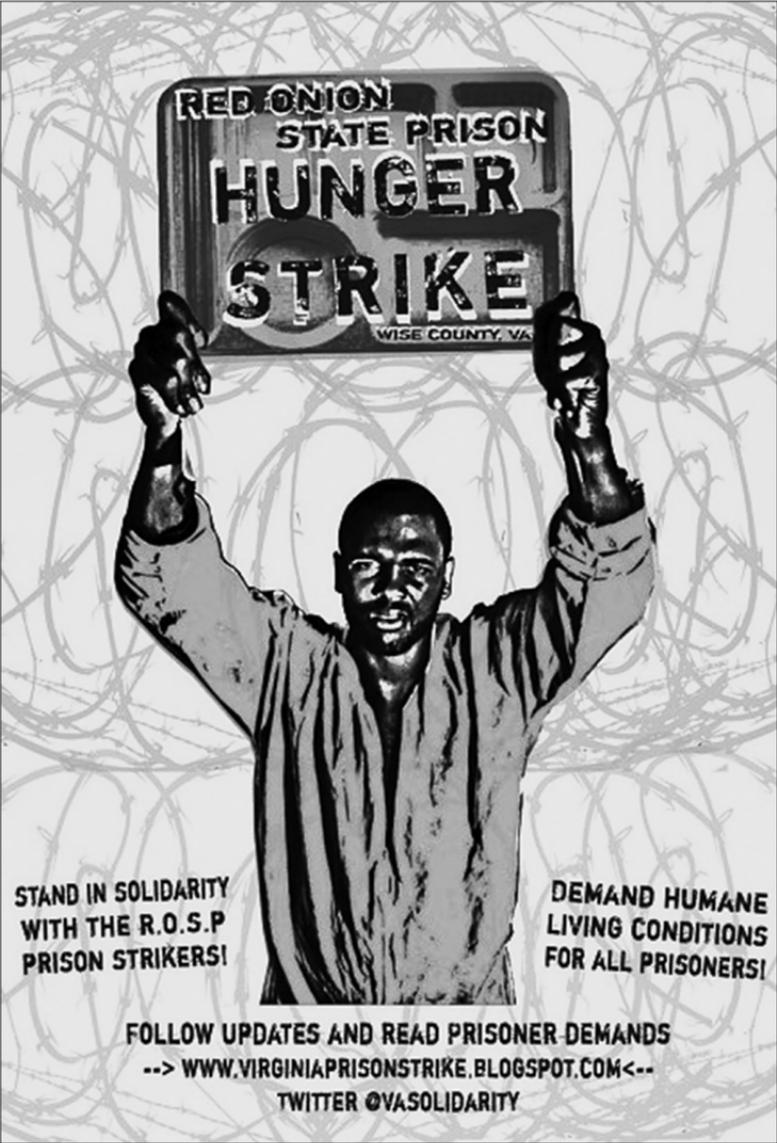
A freeze in the Department of Agriculture immediately impacts food stamp programs and the Supplemental Nutrition Assistance Program. The Department of Transportation will have even fewer funds for infrastructure maintenance of bridges, roads, airports, pipelines and hazardous waste systems.

Also targeted by the federal funds freeze are the Environmental Protection Agency, the National Parks Service, the National Science Foundation and the Army Corps of Engineers flood control programs.

The Pentagon budget is not only an enormous waste of the resources of the planet. It also funds the slaughter of peoples struggling to control their own destiny and its doomsday weapons systems pollute the whole environment.

Military expenditures cannot save the capitalist system. But they can ruin millions of lives.

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