

Propping up the U.S. military is driving the economy down

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Members of the U.S. Army 1st Division 9th Regiment 1st Battalion unload heavy combat equipment including Abrams tanks and Bradley fighting vehicles at the railway station near the Pabrade military base in Lithuania, on Oct. 21, 2019.

Talk about inflation. On Oct. 18, a Senate panel approved an annual Pentagon

budget that's at least \$29 billion more than last year and \$10 billion more than requested.

Most of the increase is earmarked for "equipment purchases" — a big, fat giveaway to the military-industrial complex.

Whatever happened to the necessity to limit spending, to cut back government spending?

The Pentagon's budget over nine years, from 2011 to 2020, has been \$9.1 trillion. Funding for the Pentagon constitutes most, but not all, U.S. military spending.

The CIA budget, for example, is unpublished and uncounted.

The U.S. spends more on its military than the [next 10 countries](#) combined (alphabetically): Brazil, Britain, China, France, Germany, India, Japan, Russia, Saudi Arabia and South Korea.

Congress, meanwhile, can't come up with \$350 billion a year — which is \$3.5 trillion over 10 years — to fund President Joe Biden's Build Back Better Act.

Of course, there's very little about the military budget being reported in the major media. The military budget isn't open to debate or dispute. Even the efforts of Rep. Alexandria Ocasio-Cortez and Sen. Bernie Sanders to slow down military spending go mostly unreported.

War has ended?

Why did the Pentagon budget need to get a big increase, plus an extra, mystery \$10-billion bonus?

The Afghanistan war has ended. Yet military spending is higher than ever and expanding at a faster rate than ever.

Some say the big spending is meant to counter the economic crisis aggravated by the COVID-19 pandemic. One sometimes hears that it was the military buildup for World War II that finally ended the Great Depression of the 1930s.

But military spending was already at record highs when the recession of 2020 hit, so it clearly didn't prevent an economic downturn.

Of course, the 2020 recession was more than the usual cyclical downturn. But there were many signs a recession was developing before the COVID-19 pandemic hit.

Industrial production in most countries had already ceased to rise. The U.S. Federal Reserve System had already initiated an "easing" cycle — that is, increasing the money supply — in an attempt to contain the incipient downturn.

Capitalism's boom and bust

The capitalist boom-and-bust cycle was noted long ago by Karl Marx. While capitalism has changed since Marx wrote, evolving from industrial capitalism to monopoly capitalism, the boom-and-bust cycle has continued.

The domination of capitalism on a world scale means that periodic crises return again and again, each one causing great hardship.

The system's dependence on relentless expansion and its inherent drive to maximize profit rather than meet human needs causes periodic collapses. And the bosses make the workers pay for the collapse.

Marx identified the essence of the periodic crises of capitalism as crises of overproduction very early on, even in the Communist Manifesto in 1848.

Traditional bourgeois economic theory denied that capitalism could have crises. Bourgeois economist John Maynard Keynes, looking at the catastrophic crisis of the

1930s, may be best known for acknowledging the reality that capitalism can have crises.

Keynes — and the economic policies identified with him — believed the state could intervene to lessen the crises if not eliminate them altogether.

According to Keynes, capitalism does not have crises of overproduction, as Marx had shown. Rather, Keynes argued that it was a crisis of under-consumption that can be resolved by the state stepping in to purchase goods directly, printing money to give people to spend themselves and/or using government deficit spending to put more money into the economy.

Part of the reason Keynes favored ending the gold standard was to allow this to happen more easily.

A stimulant becomes a depressant

Military spending was at first a powerful stimulant to production — a fact that Keynesian economists never tire of noting. The constant and expanding military spending in the U.S., however, has become a primary cause of inflation, even if that is not acknowledged by the bourgeois economists.

At the same time, military spending represses the expansion of capitalist reproduction.

Economic reproduction is the process whereby the means of production — the raw materials, facilities, machinery and tools used in the production of goods and services — are replaced. Expanded reproduction — or reproduction on an expanded basis — is the economic essence of capitalism.

Under expanded reproduction, the existing means of production are not only replaced, they are expanded. The capitalist must expand capital and machinery —

constant capital. If not, there is failure: expand or die.

However, military spending means contracted reproduction. Factories that under normal conditions produce commodities that are used to replace the equipment of existing factories or build new factories are instead producing the means of destruction.

The economy rots from within by destroying the productive forces, including, in the case of actual warfare, the most important productive force — the workers.

