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The ‘debt ceiling’ and our struggle to live: No limit to capitalist crimes & cutbacks

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People line up for assistance at a food bank in Brooklyn, New York.

Jan. 19 was the date that the United States government was supposed to go bankrupt. Or at least had to start shuffling around bills to be paid, according to Treasury Secretary Janet Yellen.

What's called the "debt limit" or "debt ceiling," reached by Jan. 19, is the amount of money that can be owed by the federal government. First imposed by Congress in 1917 during World War I, the amount is currently set at \$31.4 trillion.

Since the 1990s, the need to raise the debt limit has been used to demand cutbacks in any programs that benefit poor and working people. Social Security, Medicare, Medicaid, and SNAP benefits (food stamps) are the biggest targets.

Cruel, lengthy lockouts of government workers took place during 1995-1996, 2013, and 2018-2019. The last one lasted five weeks.

The \$31-trillion federal debt is the result of continuous wars for the banksters and Big Oil while giving tax cuts to the rich. Two-thirds of the [\\$1.7 trillion “omnibus spending bill](#) approved by Congress last December went to the Pentagon, spy agencies, and cops. That's a \$1.1 trillion Christmas gift for those who deserve it the least.

The [cost of the U.S. wars](#) since Sept. 11, 2001, is estimated to be \$8 trillion. Total [Pentagon spending since 2001](#) has been more than \$14 trillion. That amounts to \$42,000 for every person in the United States or \$168,000 for a family of four.

Hundreds of thousands of people were killed by U.S. bombs and sanctions. It was a bonanza for the war profiteers.

[Halliburton charged \\$100](#) to wash every 15 pounds of laundry for GIs in Afghanistan. Then [Vice President Dick Cheney](#) got a lush \$33.7 million retirement package from Halliburton, his old employer.

Back in 1996, the Brookings Institution — a Washington think tank — estimated that the U.S. [nuclear weapons arsenal](#) cost \$5.8 trillion. That's worth [\\$11 trillion in current dollars](#).

Just one of these nukes can kill millions. There are [3,608 of them](#) in the Pentagon stockpile.

These fantastic sums could have been used to lift people out of poverty around the world. That's **reparations** money.

The truth about the debt

The congressional debt limit is arbitrary. The real limit is how many of Uncle Sam's IOUs can be sold on the world capitalist market.

Foreign capitalists and their governments hold [\\$7.5 trillion of the debt](#) because the interest is guaranteed. This helps finance the Pentagon war machine. Buying U.S. Treasury Bills also recycles the dollars accumulated because of the huge U.S. trade goods deficit that reached \$1.1 trillion in 2021.

This deficit is the result of deliberate deindustrialization that has been the biggest cause of union busting. Between 1979 and 2019, [6.7 million U.S. manufacturing jobs](#) were destroyed. Nearly 70,000 factories have been [shut down since 1998](#).

Many of the employees in the abandoned factories had union jobs. The biggest losers were Black workers.

The more developed capitalism is, the more it wallows in debt. Non-financial corporations in the United States [owed almost \\$13 trillion](#) in 2022.

During the bloody rise of capitalism, establishing national debts accompanied the African Holocaust and the Holocaust of Indigenous peoples in the Americas.

The need for the U.S. government to establish a national debt played a crucial part in adopting the Constitution. The historian Charles Beard showed this in his book, "An Economic Interpretation of the Constitution of the United States."

[Karl Marx described](#) the historical role of national debt in "Capital": "As with the stroke of an enchanter's wand, it endows barren money with the power of breeding and thus turns it into capital, without the necessity of exposing itself to the troubles and risks inseparable from its employment in industry or even in usury."

U.S. capitalism is so decayed that the \$475 billion in interest that [capitalists collected from the national debt](#) in 2022 was greater than the \$447 billion in profits

they got from their factories in 2021.

Lenin — the leader of the Bolshevik Revolution — described this “parasitism and decay of capitalism” in “[Imperialism, the Highest Stage of Capitalism](#).”

In 1911, 146 garment workers died miserably in New York City’s Triangle Shirtwaist fire. Many of the young immigrant women workers leaped to their deaths rather than burn alive.

A century later, the garment industry has virtually disappeared in the United States. Sweatshop conditions were exported. In 2013, 1,134 garment workers were killed in the collapse of the Rana Plaza garment complex in Dhaka, Bangladesh.

‘Only the little people pay taxes’

New York hotel boss Leona Helmsley was right when she said, “Only the little people pay taxes.”

All taxes are taken out of the surplus value produced by the working class, both employed and unemployed. That includes 2 million workers in prison.

Commonly called profits, surplus value is the difference between what the working class produces and what they get back in wages and benefits.

The huge tax cuts given to the wealthy over the past 40 years have been a way to raise the average rate of profit. None of the politicians who want to cut Social Security and Medicare wants to cut sales taxes.

Thirteen states charge [sales taxes on groceries](#). In Mississippi—the poorest state in the country—people have to pay a 7% sales tax on a loaf of bread.

House of Representatives Speaker Kevin McCarthy is going to use negotiations over the debt limit to demand more cutbacks. Despite people lining up at food banks

coast to coast, SNAP benefits (food stamps) may be cut.

President Reagan raised the retirement age to 67. Some in congress want to raise it to 70.

We can't trust "Amtrak Joe" in the White House — who double-crossed the railroad workers — to stop new cutbacks. The money for the war against Russia is being stolen from the working class.

The wealthy and powerful will continue to grind us down if we don't fight back. Look at the tragedy unfolding in Britain. Cutbacks in the country's National Health Service have resulted in [tens of thousands of people needlessly dying](#).

Only the power of the people can reverse the cutbacks and prevent the Pentagon from launching World War III against Russia and China.

