

As recession looms: Spending soars for U.S. war operations

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It's a war economy.

You may have heard of Bidenomics — Genocide Joe's economic policy. The New York Times reported last October that the White House was telling Democrats that Biden's reelection will be won because of Bidenomics. Since then, what's happened? Bidenomics has quietly disappeared from all Democratic campaign talk.

The [National Priorities Project](#) reports that Biden's military budget is one of the highest in history. "The Biden request calls for \$886 billion in spending for the military and war preparations." The NPP points out that this is at the level of spending at the height of the Iraq and Afghanistan wars and is approaching the level of military spending during World War II.

In an October Oval Office Address, Biden said sending weapons to Ukraine is actually an investment in U.S. industry, strengthening the economy and creating new jobs. [Politico](#) quotes Biden: "As we replenish our stocks of weapons, we are partnering with the U.S. defense industry to increase our capacity ... This supplemental request invests over \$50 billion in the American defense industrial base ... expanding production lines, strengthening the American economy and creating new American jobs."

So here's the thing. All the financial indicators point to a major recession soon. Is Biden attempting to divert an economic bust? Can a large-scale military buildup or even a war avoid a recession?

A war economy produces the means of destruction or subsistence for soldiers instead of profit-producing production and profit-producing workers. Bidenomics may keep unemployment levels from rising with low-wage, non-union jobs, but it's driving down the capitalist profit rate.

Financing the enormous military budget is the primary reason for the massive

federal debt, and it led to the greatest bond market crash in history in October. You probably didn't hear about it. They don't like to talk about these things. The government issues bonds, called Treasuries, when they want to borrow money. That's how they've been paying for the massive military budget.

In the financial press, Bloomberg reported that Treasury bonds with maturities of 10 years or more plummeted 46%. That's just under the losses in the stock market when the dot-com bubble burst in 2000.

What's coming out of this is higher taxes and cuts in social spending to pay for the massive military buildup and warfare.

The current economic slowdown is because of general overproduction, with manufacturers facing excess inventory.

Economic growth (not slowdown) is the lifeblood of capitalism. Industrial production is not growing; it has stagnated for the past year.

On Dec. 4, [Reuters reported](#) that "makers of computer and electronic products said the 'economy appears to be slowing dramatically.' Miscellaneous manufacturing firms said, 'Customer orders have pushed into the first quarter of 2024, resulting in inflated end-of-year inventory. Producers of food, beverage, and tobacco reported that 'our executives have requested that we bring down inventory levels considerably.'"

Factories are now working at less than full capacity, but corporations are building more factories at a furious rate. On Dec. 2, there was a headline: "[The Eyepopping Factory Construction Boom in the U.S.](#)"

Industrial capitalists are building new factories even as their current factories cannot run at their full capacity due to a lack of markets. As the new factories come online, the gap between the ability to produce and the market's ability to absorb the

increasing volume of commodities at profitable prices is growing dramatically.

The growing gap between expanding production capacity and limited market demand is unsustainable. A recession looms.

Bidenomics a failure

As any worker will quickly confirm, Bidenomics is a failure. Really. Have prices rolled back? Overall, prices have surged by more than 17 percent since January 2021 — nearly 20 percent for food, more than 43 percent for gasoline, and 18 percent for housing, according to data from the U.S. Bureau of Labor Statistics.

Workers are fighting for and winning wage increases, but overall, for most workers, wages still lag behind inflation. 60% of the workforce is living paycheck to paycheck. [Homelessness](#) in the U.S. jumped to a record level in 2023, the highest number of people reported as experiencing homelessness since reporting began.

Anyway, as we've seen in our discussions today, the U.S. is engaged in war, hybrid war, economic war, and multiple kinds of warfare in several parts of the world. Genocide Joe's war on Gaza. The U.S.-NATO proxy war on Russia.

There is also the possibility of a U.S. and/or Israeli attack on Iran.

CBS News reported on a major deployment of U.S. warships to the region. The aircraft carrier USS Eisenhower's strike group arrived in the Red Sea in mid-November. An unknown number of nuclear submarines armed with hundreds of cruise missiles are there. The aircraft carrier USS Ford strike group is in the area in the Mediterranean along with at least five other battleship groups. CBS adds that 45,000 U.S. service members and contractors are now stationed in the Middle East.

U.S. Secretary of Defense Lloyd Austin just announced the start of Operation Prosperity Guardian, a naval operation in the Red Sea and Gulf of Aden targeting

Yemen's Ansarallah-aligned armed forces and threatening Iran.

That's three fronts in U.S. imperialism's global war - Palestine, Russia, and Iran.

Of course, there's also the sanctions, economic warfare against Cuba, Venezuela, Zimbabwe, and others.

War buildup in Asia

Then, there are the war fronts against the Democratic People's Republic of Korea and China.

The U.S. has imposed sweeping sanctions on China's semiconductor industry, aiming to restrict China's advanced computing and supercomputing abilities and prevent it from becoming a global leader in semiconductors. The [New York Times](#) called the semiconductor blockade "an act of war." Saying, and I quote: "The controls essentially seek to eradicate, root and branch, China's entire ecosystem of advanced technology."

And then there is Taiwan.

Taiwan has been part of China for centuries. Japan colonized Taiwan in 1895 and Korea in 1910. After the victory of the Communist Party of China in 1949, the defeated Kuomintang took over Taiwan with U.S. support. The U.S. later acknowledged the People's Republic of China's sovereignty over Taiwan under the One China policy but never relinquished its de facto control.

Now, the U.S. has virtually dropped its One China policy and has started a massive military buildup in Taiwan combined with a significant naval buildup in the South China Sea.

Unlike previous administrations, including Donald Trump's, the Biden administration

has not confirmed the One China policy. Responsible Statecraft reported that “Assistant Secretary of Defense for Indo-Pacific Security Affairs Ely Ratner made an unprecedented public statement by a serving senior U.S. official. In testimony before the Senate Committee on Foreign Relations, he stated that the island of Taiwan is strategically “critical to the region’s security and critical to the defense of vital U.S. interests in the Indo-Pacific.” He’s saying that Taiwan is “ours.”

In August, the U.S., Japan, and South Korea established what’s being called an Asian NATO, a trilateral military cooperation agreement, including a joint missile defense system. This is aimed at both North Korea and China.

Biden’s massive military budget must be paid for by the workers. The U.S. is imposing a wartime economy, hoping to rescue the capitalists from the coming economic collapse while at the same time threatening imperialist war around the globe.

Gary Wilson is the author of [War and Lenin in the 21st Century](#).

