

# Trump's huge military budget will accelerate U.S. economic decay

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President Donald Trump, the brooding figure on the left end, with Vice President JD Vance, Secretary of Defense Pete Hegseth, and Major Gen. Trevor Bredenkamp at a Memorial Day wreath-laying ceremony. Trump wears heel lifts, which gives him a pronounced hunch.

President Donald Trump delivered a rally-style commencement speech at the U.S. Military Academy at West Point on May 24, aggressively promoting militarism, nationalism, and his ongoing attacks on diversity, equity, and inclusion (DEI) as well as transgender rights.

Addressing the graduating cadets, Trump glorified the U.S. military as “the greatest and most powerful army the world has ever known,” claiming personal credit for its expansion during his first term.

“I rebuilt the army and the military like nobody has ever rebuilt it before,” Trump boasted, putting military power at the center of U.S. global dominance.

Trump intensified his militaristic agenda: “We’re getting rid of the distractions and focusing our military on its core mission: crushing America’s adversaries, killing America’s enemies, and defending our great American flag.”

Trump said that’s why the U.S. will invest in new tanks, planes, drones, ships, and missiles. In addition, the U.S. will build the Golden Dome Missile Defense Shield, which has been described as a [\\$175 billion fantasy](#) and a boondoggle for Elon Musk’s [SpaceX](#).

He also praised recent reactionary policies designed to dismantle DEI programs in the armed forces.

The Trump administration has moved to ban trans troops from the military — a decision the Supreme Court upheld earlier this month. Trump’s policies have reintroduced a discriminatory ban on transgender military personnel and imposed

new uniform physical standards aimed at severely limiting women's participation in combat roles.

## **Unprecedented military expansion**

On May 2, Trump released his budget request for 2026, dubbed the "One Big Beautiful Bill." [Over 75%](#) of Trump's budget is allocated for the military and police.

In the budget proposal, military spending is \$1.01 trillion, accounting for approximately 60% of the total requested. For the non-military Departments of Homeland Security, Justice, and Veterans Affairs, the request is \$272.2 billion.

Funding for departments whose primary purpose isn't military, military-adjacent, or policing is \$409 billion, or only 24% of the budget.

The proposal includes \$163 billion in federal spending cuts, all of which target non-defense programs. For a breakdown of the cuts, see: [Trump's 'big beautiful' cuts to Social Security, Medicare, Medicaid and more](#).

## **Military Keynesianism**

Both Donald Trump and Joe Biden have argued that increased military spending and the production of armaments will reindustrialize the country and create jobs, using this rationale to justify historically large Pentagon budgets. And completely ignoring that military expansion is not, in any way, shape, or form, reindustrialization.

Trump has explicitly said it would provide unmatched military strength and support job creation through the purchase of new equipment and capabilities, mirroring the arguments made by Democrats, including Biden, about the economic benefits of Pentagon budgets.

The Biden administration promoted the jobs argument, especially when seeking

support for military aid to Ukraine, Israel, and Taiwan. Biden described the U.S. arms industry as the “arsenal of democracy,” emphasizing the economic benefits to states involved in weapons production.

Military Keynesianism is an economic policy approach that advocates for sustained, high levels of military spending as a primary tool for government stimulus and economic growth, based on the core principles of Keynesian economics.

Keynesian economics, developed by John Maynard Keynes, argues that during economic downturns, such as recessions and depressions, government spending (fiscal stimulus) injects money into the economy, creates jobs, and stimulates production.

Many capitalist politicians and economists argue that only World War II’s massive government spending finally brought the Great Depression to an end. This suggests that sufficiently large stimulus packages — extensive deficit spending by the government — can overcome any economic downturn.

War economies do indeed trigger sharp increases in production as dormant factories resume operations. Manufacturing surges and unemployment declines as workers join either the military or the defense industries. When depression conditions exist before conflict begins — as occurred before both world wars — economic downturns will end.

However, this “recovery” comes at a profound cost: the suppression of expanded reproduction – the essential process of capital accumulation that defines capitalism. Instead, the war economy imposes a state of *contracted reproduction*. Once the economy reaches full war capacity, production plateaus and inevitably begins a gradual decline as society consumes its existing resources without replacing them (no expanded reproduction).

In the United States, normal economic expansion following the collapse of the early 1930s didn't resume with World War II, despite the end of the Depression. The wartime economic model represents a temporary transformation rather than a sustainable solution. While it can rapidly mobilize resources and eliminate unemployment, it does so by redirecting productive capacity away from civilian goods and long-term investment toward immediate consumption of military materials. This creates an illusion of prosperity while actually weakening the economic foundation necessary for sustained growth and innovation that characterizes healthy capitalist development.

### **The contradictions of monopoly capitalism**

Under competitive capitalism, the profit motive drives firms to reinvest surplus value into productive capital, fostering technological advancement and market expansion. Marx's analysis of expanded reproduction hinges on this cyclical reinvestment process, where profits fund new machinery, labor, and infrastructure.

However, the rise of monopolies has disrupted this dynamic. By controlling markets through cartels, patents, and economies of scale, monopolies replace price competition with administered pricing strategies. This allows firms to sustain higher profit margins by extracting surplus value through inflated prices rather than productive efficiency.

The consequence is a structural surplus that cannot be absorbed through traditional reinvestment. If monopolies channel profits into new capital, they risk overproduction and the erosion of their pricing power, undermining the very basis of their profitability. This creates a paradox: the mechanisms that maximize short-term profits simultaneously stifle long-term growth.

Imperialist expansion serves as an outlet for surplus capital, channeling it outward through foreign direct investment and the exploitation of natural resources in less

developed regions. The result has been a rigid global hierarchy that divides the world into dominant imperialist powers and the subordinated states, commonly called the Global South.

### **Commodities of destruction**

Military spending means contracted reproduction, not expanded reproduction, the lifeblood of capitalism.

The goods churned out by the world's arms manufacturers are not commodities in the ordinary sense.

To understand what makes military goods so distinctive, we must first revisit what Marx meant by a commodity. In the classical sense, a commodity is a product of human labor created for exchange on the market. Its existence is defined by two essential qualities: use-value — the ability to satisfy a human need or want — and exchange-value — the price it commands, determined by the socially necessary labor time required for its production.

Under “normal” conditions, the production and circulation of commodities are governed by the logic of supply and demand. Businesses compete to sell their products or services to consumers or other businesses, and profit is the driving force behind the entire system. This is the cycle that keeps the capitalist machine in motion: Workers sell their labor, receive wages, buy goods, and capitalists reinvest profits to expand production.

But what happens when the commodity in question is a tank, a missile, or a fighter jet? Here, the rules of the game change dramatically. The products of the military-industrial complex are not like bread, clothing, or even automobiles. They are unique in how they are produced, sold, and consumed.

First and foremost, military goods are not produced for a conventional market. The



primary — and often sole — buyer is the state. Demand for these products is not determined by the needs or desires of private individuals, but by political decisions made in the corridors of power — the White House, Congress or the Pentagon.

The rationale is not “what does society need?” but “what does the state require to project power or pursue imperial ambitions?” As a result, arms manufacturers are shielded from the risks of competition. Their profits are secured by government contracts, often awarded without competitive bidding and structured to guarantee returns regardless of efficiency or actual need.

This artificial demand is only the beginning of what sets military commodities apart. Their use value is fundamentally different from that of ordinary goods. Where food nourishes, housing shelters, and clothing warms, military goods are designed for destruction or deterrence. Their utility lies not in satisfying human needs, but in their capacity to threaten, maim, or kill. The value of a cruise missile is realized not in peaceful exchange, but in its potential to obliterate a target. In this sense, military commodities are not just useless from the standpoint of social welfare — they are actively anti-social, their value rooted in violence. They are the means of destruction.

Marx’s labor theory of value holds that the price of a commodity reflects the amount of socially necessary labor required for its production. Yet military goods routinely defy this logic. Their prices are often wildly inflated, thanks to cost-plus contracting, political lobbying, and the lack of market discipline. The state, not the market, determines what is produced, how much is produced, and at what price. This distortion severs any meaningful link between labor input and exchange value, turning the arms industry into a haven for waste and profiteering.

Perhaps most damningly, military commodities play no productive role in the ongoing reproduction of capital. Ordinary goods — whether consumer products or means of production, such as machines, tools, and factory equipment — circulate through the economy, enabling workers to live and capitalists to accumulate further

profits. Military goods, by contrast, are “consumed” in war or left to rot in arsenals. They do not feed, clothe, or house anyone; they do not contribute to the expansion of productive capacity. Instead, they represent a colossal diversion of human labor and material resources into activities that, from the standpoint of human need, are utterly wasteful.

The products of the military-industrial complex are commodities only in the most superficial sense. The laws of supply and demand do not govern them, nor do they serve human needs.

This diminishes the economy and has been a central factor in U.S. imperialism’s stagnation and economic decline.

### **Contracted reproduction and the crisis of imperialism**

Contracted reproduction occurs when society’s vital resources — labor, capital, and technology — are diverted to produce military goods and services. Unlike productive investments, which expand future capacity or meet human needs, these resources are ultimately wasted: consumed in warfare, stockpiled indefinitely, or deployed to enforce imperial dominance. This diversion actively shrinks the productive sectors — those that create real social wealth (such as food, housing, and essential goods) — while the parasitic military sector expands at their expense.

This process reveals a core contradiction of monopoly capitalism: To sustain profits and imperial power, the system cannibalizes its foundations. By prioritizing the destructive needs of the military-industrial complex over the long-term societal vitality of the many, it trades long-term societal vitality for short-term dominance, thereby accelerating stagnation and systemic decay.



