

Austerity & War Ahead

Hungry? Eat Leaden Death.

Fifth Estate Collective

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The New York Times headline trumpeted “[President] Urges Rises in Military Outlay, Cuts in Other Areas,” above an article which stated, “[The President] today proposed to Congress a series of substantial increases in military spending in the 1980s and cuts in many non-defense programs.”

Is this the dreaded Reagan slashing programs for the poor while spending ever more on the already glutted military monolith? No, not at all, but rather the president referred to in the Jan. 15, 1981 article is Jimmy Carter, who several days before leaving office proposed a fiscal 1982 budget which foreshadowed what his successor would announce several weeks later.

Reagan’s wholesale slashing of 50 years of liberal reforms has disguised the fact that austerity is on the capitalist state’s agenda no matter which party is in power. The shrill protests suddenly heard from liberals and the left about the emergence of a “New Right” fails to appreciate that all that the new administration has advocated in social welfare budget cuts and in increased military spending were either already in the works by Carter or inevitable given the crisis in which capitalism currently finds itself.

Reagan may wrap his cutback program in a new set of mystifications about inaugurating “an era of national renewal,” but in fact there is nothing new about them at all. The Carter budget slashes called for reductions in the identical areas as do Reagan’s, including a \$683 million decrease in health care; \$980 million from child nutrition programs and welfare and \$1.7 billion from food stamps, pensions and price support subsidies. To be sure, Reagan’s cuts in programs for the poor are greater and deeper, since he is not restrained either politically* or ideologically to the maintenance of government programs which are the backbone of liberal social reforms.

Also, Reagan’s defense budget is greater than that proposed by Carter, but only by \$7 billion over the \$180 billion designated by the outgoing President which in itself represents 25% of the entire government budget. Had Carter been re-elected, there is no reason to think that he would not have continued upon the same path that he began and Reagan has continued with a vengeance—austerity for the poor and billions for an ever growing war machine.

The political style between the two administrations is obvious but often can be deceptive as well. Reagan and his Secretary of State (Gen. Alexander Haig, only the second military officer to hold the office) began a campaign of rhetoric which harkened back to the Cold War era bringing realistic fears that the U.S. government is about to launch a period of confrontation with the Russians beginning with the intervention in El Salvador.

Carter, by contrast, has come to appear as a rather well-meaning ditherer, who left the presidency with a grim warning about the dangers of nuclear proliferation and a call for human rights. On Carter’s part it was much like Eisenhower’s warning about the “military-industrial complex” when he exited office, both men having presided over an accentuation of the very trends they warned about. Carter increased the chance of war substantially by his Presidential Directive 59—a commitment to first strike weaponry (see “Yes, We Have no Mañanas,” FE #303, October 20, 1980)—and his teary eyed call for “human rights” can only be seen as a fraud of the first order when one of his last moves in office was to resume U.S. aid to the murderous El Salvadoran junta. Reagan has only taken the next “logical” moves in sending U.S. military advisors, Vietnam style, and increasing military supplies.

This is not to diminish the special threat Reagan poses stemming from his particular conservative, pro-military, anti-communist, and jingoist view of the world which Carter, at least, did not express. It should not be denied that individual personalities do play a role in politics. When an empire is in an ascendant state it seems to have no difficulty in producing Caesars and Augustuses, but when it enters a period of degeneracy, only Neros and Caligulas come to the fore. So, it should not be seen as unimportant that a man with his finger on the button which could annihilate the world talks about confrontation with “godless communism.”

Still, the point must be emphasized that the austerity and war preparations don't belong to either party or personality but rather are being imposed by the needs of capital, with Reagan only accelerating a process already in motion. The stagnating U.S. economy, part of a world-wide slowdown in capitalism, is seen by the inner circles of finance and political rule as having its problems solved only by the traditional method of increased state spending in hopes of invigorating the sluggish economy.

Reagan's puffery about stopping the expansion of government is just so much rhetoric for his tax-plundered middle-class constituents; in reality the federal budgets will grow ever bigger as the military economy is continuously expanded with the hope it will keep the economy afloat.

Reagan and his general will undoubtedly preside over an increasing militarization of both government and the economy and the required escalation of the war rhetoric necessary to justify it. This is the 1984 model—a garrison state in which perpetual warfare (or preparation) politicizes the domestic economy by seeing all other considerations subordinated to military ones and which stifles dissent in the name of the crusade against the Enemy.

Liberal economists and commentators have been calling Reagan's budget proposal slashes, “Keynesianism for the rich, instead of Keynesianism for the poor,” as if somehow the state funding of the war machine as the basis of the U.S. economy is a break with past tradition. As we have said previously (see “Carter's Phony War Crisis” FE #301, February 26, 1980), the permanent war economy came as the culmination of a decade of Keynesian economic planning—mass government spending as the stimulus for the economy—which had little success with peace time programs of the New Deal, but came to fruition only as a result of the expenditures for World War II.

Lord Maynard Keynes himself stated in 1940 that “it seems politically impossible for a capitalistic democracy to organize expenditures on the scale necessary to make the grand experiment which could prove my case—except in war conditions.” In fact, the Depression did not really end until 1942 when the U.S. economy was fully converted to wartime production.

After dire predictions of a post-war collapse which would follow the dismantling of the war machine, the Soviet Union conveniently emerged as the new Enemy and with it an ideological justification which was secure from political criticism. The danger here is that the war drum talk necessary to convince people that an ever expanding military is warranted is part of the process which is making world war inevitable.

Capital, in its state form, has run out of places to locate itself other than in the military sector; consumer and durable goods areas being almost at the saturation level. (The government is making a last ditch, but probably useless attempt with Chrysler; people are not going to buy three cars or any at current interest and inflation rates.) Just as in the 1930s the Keynesian scheme of funding the economy through make-work projects was a failure, so have been the social programs of the '60s and '70s in providing what capitalism needs. Welfare and unemployment compensation, CETA jobs and the like may keep the poor and unemployed workers as marginal consumers, but as an aggregate sum expended by the state it doesn't contain the hoped for “multiplier effect” which is supposed to accrue to government spending.

State spending at its optimum is designed to produce profits which will induce further investment and business expansion plus pay workers who will consume cars, houses, and the like which will in turn result in further profits, employment, investments, purchases, etc. This process is correctly seen by the capitalist managers as not functioning with state stipends to the poor, so only the turn toward armaments spending can be made, as they see it.

So, then, where are we now? It must be taken as a given that the Carter/Reagan austerity programs are going to increase the misery of the millions of poor and near-poor who depend on government financed programs for food stamps, Social Security, welfare, health, medical, education, jobs and a host of other benefits. In Detroit, for instance, 60% of the population receives some government financed aid.

Two aspects of this require examination First, none of the programs in operation have successfully dealt with the problems they were originally designed to address; that is, in employment, the health of the poor, nutrition, etc., every indication is that the potential recipients as a group (for instance, blacks) have become actually more impoverished over the years with perhaps the only value of the programs in question being that they have not allowed things to get as bad as they might have become without them. But this is only perhaps. Through the proliferation of government programs came the destruction of the many self-help and mutual aid organizations that the poor had erected in previous generations to aid their communities and along with them the belief that people can deal with their problems independent of the state.

None of the foregoing should be taken to mean this is an advocacy of the ending of such programs. It no longer matters what one's opinion is of the federal financing of everything from the poor's survival to local theatre and medical projects; the state has lost both its capacity and its willingness to do it.

The immediate response from liberals and the left is to begin demanding continued financing of the dashed programs as if somehow this is a "radical" posture. Quite the contrary, demanding, or worse, begging the state for a subsistence for the poor (particularly when it will not be forthcoming) is more than just a humiliation, it more importantly continues to pose the state as a potential benefactor rather than the ultimate cause of misery and war. As people who desire the destruction of government we must see that to have a huge class of permanently poor ministered to by a parastructure of bureaucrats, both of whom have a vested interest in the state's permanence, creates not the context for rebellion against the state, but for its support.

In fact, if we see this new situation as only an unrelieved disaster, do we really have any hope? What may be presenting itself is finally the opportunity to see the government for what it really is; not a provider, but a destroyer. If all of us are suddenly thrown back upon our own resources, while the government turns its revenues to building B-I bombers and MX missile systems, and we can't create lives independent of the state, what hope is there for a revolution? This is obviously easy to say if one is not in the position of the poor about to be cut off from a federal program, but what else is there to do except turn to our or their, if you prefer, own resources?

Finally, Reagan's pitiful 28% voting total (remember 48% of us didn't even bother to vote) cannot be allowed to create the myth that an overwhelming "conservative mood" exists in this country. There are millions of us who desire a human life free from the fear of wondering where our next check is coming from and from the terror of war. If a conscious assault is to be made on the rulers' war plans and enforced austerity, we must begin by building social groupings within which we learn again how to care for one another. Without this, we are lost.

*Reagan's increased military budget also contains a crucial political element in addition to the obvious economic one. That is to reward his middle-class, Sunbelt constituency, which overwhelmingly supported his election, by immense government spending on the military hardware manufactured in the areas where they reside (the vast majority of defense industry and military installations are in the South and Southwest and California), while punishing or ignoring the industrial North's poor, working-class, and minority constituency which either opposed his election or who did not vote in great numbers. The political consequences are frightening: those whose lifestyles come to depend on armaments and preparations for war also become fervent supporters of war politics while the devastated urban cities like Detroit could degenerate rapidly into a "generalized South Bronx" with heavy expenditures going for a beefed up police apparatus.

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