

Is a fight ahead over Carter's budget?

The President's defense priorities are modeled on Nazi Germany's 'Goering Plan'

As yet unconfirmed reports that Office of Management and Budget Director James McIntyre plans to recommend to President Carter that he scale down a planned \$12 billion-plus increase in defense spending in fiscal 1980 are the first signs of an organized resistance to the "guns, not butter" 1980 budget. That budget is now getting its final going over before submission to the new Congress in January.

The budget will contain some \$15 billion in real dollar cuts (when factoring in inflation) in such categories as Social Security and pension benefits, Medicare, Medicaid, education, welfare, and so on to meet the Administration's austerity criterion of a budget deficit "below \$30 billion." McIntyre is said to feel that Cabinet departments, and more importantly Congress, will explode in open revolt when they make "value comparisons" measuring some of the items included in the military budget against expenditures dropped from domestic spending.

Ike's definition of U.S. strength

... I patiently explain over and over again that American strength is a combination of its economic, moral and military force. If we demand too much in taxes in order to build planes and ships, we will tend to dry up the accumulations of capital that are necessary to provide jobs for the million or more new workers that we must absorb each year. Behind each worker there is an average of about \$15,000 in invested capital. His job depends upon this investment at a yearly rate. ... If taxes become so burdensome that investment loses its attractiveness for capital, there will finally be nobody but the government to build the facilities. ...

Let us not forget that the Armed Services are to defend a "way of life," not merely land, property, or lives. ...

President Dwight D. Eisenhower
letter to Everett Hazlett
dated Aug. 20, 1956

However, the real crime of the projected Carter budget is not to be found in a line-by-line analysis, but in its clear shift toward emphasis on military preparations in what the President has decreed as "a period of national austerity." Carter is following in the footsteps of Nazi Germany from 1933 on, particularly following the 1936-37 transition to the Goering Plan which prepared Hitler's legions for "blitzkrieg war." The goal then was to capture "looting rights" to the rest of Europe before the financial austerity policies designed by Finance Minister Hjalmar Schacht totally destroyed the German industrial capacity and labor force.

Past U.S. Presidents deeply concerned with strong national defense have understood, albeit in attenuated form, that the guns not butter policy is not only politically difficult in a democracy, but actually impairs overall U.S. political and military strength by reducing and skewing capital investment and weakening the skill levels of the labor force. President Eisenhower, for example, conducted a virtual crusade on this point throughout his term in office, referencing it repeatedly in his speeches and private correspondence (see box).

Making war on the U.S. population

Those supporting the policy now admit in their more candid moments that what they are sponsoring is not increased U.S. military strength against the Soviet Union, but an undeclared war on Europe, Japan, and the American people. Circles around British intelligence "leaker" Robert Moss last week were retailing the line that West German-Soviet strategic agreement on the European Monetary System and its global economic development perspective represented an intolerable "threat to the West." Such a threat could be averted only by a NATO dictatorship over Europe and a far-reaching military buildup, they claimed. *New York Times* editor James Reston, in a column entitled "The Present Danger," inquired "What is the 'present danger' anyway? Is it a military threat from the Soviet Union, or an economic threat from some of our allies who are outworking and outproducing us?"

In a series of editorials, the *Times* further elaborated its concern that Carter will not successfully put the policy across. "There is no

Carter's 'guns, not butter' budget

In the month of November, the Carter Administration has announced through official statements and semi-official leaks to major newsmedia the following budgetary measures:

- A fiscal 1980 military budget authorization of approximately \$136 billion, including \$123.8 billion in actual budget outlays (payments). This latter figure represents an increase of approximately \$12 billion over fiscal 1979 outlays — a 3 percent increase in real dollars on top of a built-in inflation escalator of 7 percent.

- A supplementary budget for fiscal 1979 of \$2.2 billion, including funds for full-speed-ahead development of the MX mobile missile and the Trident submarine missile. Both are regarded as major new weapons systems. The MX program, expected to cost at least \$30 billion by the mid-1980s, is widely regarded as a potential "destabilizing" element in future arms control negotiations. Mobile missiles may prove difficult to identify and count according to presently known verification procedures, especially if they are deployed in

underground silos or trenches, plans consistently favored by Pentagon planners in both the Ford and Carter Administrations.

- A \$2 billion civil defense program to be completed by 1985, more than doubling present expenditures by the Civil Defense Preparedness Agency and possibly boosting civil defense budgets to the level of \$1 billion a year thereafter. Administration officials have emphasized that the decision to pursue a high-profile civil defense effort "represents a significant turnabout in American strategic policy," according to Richard Burt of the London-based International Institute of Strategic Studies, who reported the civil defense story in the Nov. 13 *New York Times*. Since the early 1960s, U.S. officials have held the view that no affordable civil defense effort could conceivably protect the bulk of the U.S. population from full-scale nuclear attack. In contrast to previous fallout shelter construction programs, the Carter Administration's effort is premised on plans to evacuate tens of millions of Americans from urban centers.

doubting the need for the United States to meet its commitment to NATO," editorialized the *Times*. "Soviet forces in Europe have been improved dramatically, not so much in numbers as in their ability to wage short, intense non-nuclear campaigns using large, modernized forces with relatively little advance preparation. Surprise attack has become more feasible. . . ."

Should Carter fail to make a U.S. war buildup credible, the *Times* continued, "Washington would lose any capacity to press the NATO allies to do their part. . . ."

But the *Times* thereupon criticized the Administration for "wasting defense billions" and "policy confusion." A followup editorial complained that "a President saying 'I have decided' decides nothing for this huge society. A prescription of pain is not heeded until the patient accepts the diagnosis."

To the end of convincing the U.S. population that austerity and war danger are its inevitable lot, the diet of "Soviet threat" scare stories was supplemented this week with a new "Cuban missile crisis."

Meanwhile, Carter was threatened with a

"resurgence on the right" in his own party, as the Zionist lobby-Cold War crowd around Senators Henry Jackson and Daniel P. Moynihan were touted as the new powers in a British "political realignment" scenario.

The game began with a broadside from Institute for Policy Studies cofounder Marcus Raskin, who suggested that the total annihilation of Vice President Walter Mondale's liberal faction in the 1978 Minnesota elections meant that Mondale would have to be replaced on the 1980 ticket with a "Solzhenitsyn Democrat," Pat Moynihan. On Nov. 21, both the *Washington Post* and *New York Times* ran columns by Moynihan accusing the Administration of being insufficiently anti-Communist in its language and insufficiently Zionist in its Mideast policy.

Almost simultaneously, New York Governor Hugh Carey, politically close to Moynihan and Jackson, suggested that the 1980 Senate race in his state should be fought out between Henry Kissinger and Bess Myerson, advisor to New York City austerity mayor Ed Koch and a member of Paul Nitze's anti-Soviet Committee on the Present Danger.

— Don Baier