

End Middle East War to Spur US Economy

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The solution to our fiscal crisis, The Nation magazine editorializes, is to “end the wars, allow the tax cuts to expire and restore robust growth.” That’s because nearly the entire deficit this year and those projected at least for the short term are the result of “the ongoing wars in Afghanistan and Iraq, the Bush tax cuts and the recession,” the publication says in its lead editorial of August 2nd.

Yet, while the Obama administration has just pushed through \$59 billion more to send 30,000 more troops into Afghanistan to intensify that war and for “nation-building”, it has done way too little to help the States maintain needed jobs. “Spending on local projects plummets,” was a June 25th headline in “USA Today.”

“The cutbacks are hitting the nation’s 90,000 state and local governments, including cities, counties, school districts, universities and utilities,” reports Dennis Cauchon. “States and local governments are slashing spending on schools, roads, offices and other construction projects so fast that even federal stimulus money hasn’t filled in the gap,” he wrote.

Of course, the big reason local and state governments are broke is because the Federal government—which is siphoning off more than \$2 trillion annually from the public— is fleecing taxpayers for its wars. As a result, broke taxpayers are voting down bond issues for needed local improvements. They don’t have any money left to fund them. Schools are being built in Iraq, not Iowa.

About 54 cents of every dollar spent by the Feds last year went for past and present conflicts, says the pacifist War Resisters League of New York. Put another way, Washington spends more for war each year than all 50 state governments combined spend for the health, education, safety and general welfare of 308 million Americans.

In 2008, for example, the states collected \$781 billion in taxes, according to the Tax Foundation of Washington, D.C. And that’s, essentially, to run the entire United States. For a rough comparison, the Pentagon this year, says Wikipedia, will spend between \$880 billion and \$1 trillion on war—more than the next high-spending 45 countries combined.

It now costs \$1.1 million a year to keep a soldier in Afghanistan, according to The New York Times of July 25th. While some of this money flows back into America in point of fact a number of non-military outlays do more to stimulate the American economy in terms of jobs created and wages and benefits, studies show. If Congress wants to get America moving, morals aside, it’s far better off investing our taxes in education, health care, transportation, and construction than in war.

Besides, the Pentagon is so incredibly fiscally irresponsible that, according to an Associated

Press report of July 27th, a U.S. audit found the Pentagon “cannot account for over 95 percent of \$9.1 billion in Iraq reconstruction money”—that it took from the people of Iraq it was supposedly managing in their behalf.

Instead of bribing our enemies in Afghanistan not to shoot up our wagon trains, the Obama administration might invest those dollars in creating jobs at home that will put purchasing power back into the hands of American workers. It needs urgently to slash that 9.8 percent unemployment level. “More than 14 million people are out of work and many more are either underemployed or so discouraged they’ve just stopped looking,” writes Bob Herbert in The New York Times of July 27th.

While “big American companies are sitting on a gigantic pile of money” from second quarter profits, notes former Labor Secretary Robert Reich, they continue to invest in their overseas ops rather than in U.S. production. General Motors, he observes, has slashed its U.S. work force from 468,000 in 1970 to 52,000 hourly workers today—while building its Chinese labor force to 32,000.

Reich writes, “Bottom line: Higher corporate profits no longer lead to higher employment. We’re witnessing a great decoupling of company profits from jobs.” So don’t look to the private sector to get the stimulus ball rolling.

“Long-term solutions that have to do with extensive job creation and a strengthening of the safety net are required. But that doesn’t seem to be on anyone’s agenda,” Herbert adds.

One way to give purchasing power a boost would be to reduce payroll taxes for Medicare and Social Security. Another way would be Federal job creation: say half a million more nurses and like numbers of day care workers and teachers for openers. “We’re told we can’t extend unemployment or pay to keep cops on the beat or teachers in the classroom, but we’re asked to borrow another \$33 billion for nation-building in Afghanistan,” Rep. Jim McGovern (D.-Mass.) is quoted as saying by the Associated Press. “I think we need to do more nation-building here at home.”

That nation-building could include legislation that will allow workers to vote in labor unions once again. The relentless decline in good-paying union jobs has been a big factor in taking the purchasing punch out of the economy.

If you oppose on principle federal subsidies for hiring nurses and others, how do you feel about subsidizing Afghan warlords? #

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