

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." 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