Who stands to benefit from a U.S. budget crisis?

The U.S. budget crisis, which has been a periodical stumbling block for Obama and the American Congress during the past few years, has finally reached a breaking point last week. As a result, all federal institutions have been closed indefinitely and around 800,000 state employees are now on indefinite unpaid leave. The U.S. administration has thereby left its own government agencies, not responsible for security functions and the special services, without any means of livelihood and have shown that military interests significantly prevail over the internal problems of the socially vulnerable layers of American society.

The U.S. national debt has reached its maximum allowance and is steadily heading towards the $18 trillion mark, which is more than 106% of the country's GDP. In declining to accept the latest promises from the head of the White House regarding the possibility of reducing the national debt, the republicans are refusing to pass the legislatively approved reform to expand health insurance. There are no internal funds to either pay the debt or at least curb it and there won't be.

In this respect, it will not be out of place to add that, under the influence of the Washington hawks, there have been no significant changes in the budget policies of the American administration throughout recent years, a budget that is primarily aimed at upholding the interests of the military circles within the country. As such, the U.S. draft budget for 2013-2014 includes military spending, even if it was cosmetically reduced, that exceeds $660 billion, which is one sixth of all the expenditure obligations of the United States and well over spending within the social sphere and the economy. This particular orientation to the military is further confirmed by Washington’s latest steps of curtailing, for the sake of “budget savings”, the work of the Curiosity rover and the Hubble telescope along with over 18,000 NASA employees responsible for the safety of the astronauts at the ISS and for satellite communications. Meanwhile, no military “aid” programmes have suffered substantial reductions.

Excluding the U.S. army command, it is tough to imagine that anyone in American society or among the veterans could support the latest decision of the Pentagon regarding the suspension, due to the budget crisis, of the benefit payments for those families whose loved ones were killed in the line of duty. You might ask: Perhaps this is a major step in saving funds for the budget of the U.S. defence department? We are here to inform you that previously, if a service member was killed, his or her family would receive $100,000 within three days. You can figure out for yourself how this sum of money compares to the daily unjustified spending by the Pentagon and the CIA on incessant subsidies and support of opposition groups in the Middle East and in other regions of the world, on supplying various rebel groups with more and more new shipments of weapon, in particular in Syria, and on increasing U.S. military presence universally.

The abovementioned facts are unlikely to soothe the American taxpayer because the rising costs of the Pentagon and the CIA aren’t caused by things like the Curiosity rover program, the Hubble telescope or the death gratuity. Consequently, although a very modest estimate, the U.S. military operation in Libya two years ago cost $1.1 billion.

As early as July of this year, Chairman of the Joint Chiefs of Staff Martin Dempsey, in his letter to the Senate, gave an estimated figure of a few billion dollars as the cost of U.S. military activities in Syria in the present year, basing
the number on the fact that just the training and the support of the Syrian opposition alone can cost $500 million a year, while the cost of the planned military operation against this country could cost over $1 billion per month. These are just rough calculations as well, which usually increase ten-fold or even hundred-fold in practice. This is exactly what happened with the preliminary amount of $75 million that George W. Bush requested from Congress in 2003 for the war in Iraq. According to the Watson Institute for International Studies, Brown University, this figure first shot up to $2 trillion just to finance the military operations, and subsequently, according to other estimations, increased even further, with additional expenditures of over $1 trillion for the medical care of the Iraqi war veterans, who number over 2 million people.

What could be the dangerous consequences of the U.S. budget conflict for the Middle Eastern countries?

In 1985, during Ronald Reagan’s first term as president, there was a sudden hike in the U.S. national debt which resulted in the passing of the Gramm-Rudman-Hollings Balanced Budget and Emergency Deficit Control Act of 1985. The act included annual measures to decrease the deficit in order to balance the budget before 1991. However, the law’s goal was never reached and the tempo of U.S. income growth lagged substantially behind spending. In 1991, the U.S. initiated an operation using NATO forces in the Middle East and seized control of Iraq.

On December 17, 2009, Congress raised the debt ceiling by $290 billion, up to $12.4 trillion. On January 21, 2010, democratic senators introduced a bill to increase the debt ceiling by $1.9 trillion, up to $14.3 trillion. The administration had to search for money and a wave of revolutions was initiated in the countries of North Africa, while the democratic regimes of Tunisia, Libya and Egypt fell under the weight of false U.S. propaganda and the oil and gas market of the region ended up in the hands of the Obama administration.

On January 30, 2012, the debt ceiling was raised once again to a new maximum of $16.394 trillion – Syria is drowning in a bloody war and America spares no expenses for funding the opposition.

On October 1, 2013, the U.S. has been left without a budget. The national debt ceiling will be reached within a few weeks.

Which war will America incite next? Whose rights will be international community be “protecting” to Washington’s tune this time around? What will be the cost of new U.S. military ventures for its taxpayers and the socially destitute citizens of its society, and what new profits will be in stock for the Washington hawks?

_Vladimir Platov, Middle East expert, exclusively for the online magazine "New Eastern Outlook"._