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BREAK WITH ALL HISTORY SINCE THE INDUSTRIAL REVOLUTION

Less green than he promised

BY PETER CUSTERS

JUST how far do the choices President Obama has made so far represent a shift towards a Green New Deal? There is no doubt that some of the measures he champions do reflect an important change of thought. George Bush, throughout his tenure, stubbornly resisted pressures to take steps meant to reduce greenhouse gases, but from the start Obama has indicated that he agrees that US CO₂ emissions have to be decreased. His target is to double the production of renewable energy within three years, and his annual budget request submitted to the US Congress in February incorporated the proposal of a tax on CO₂ emissions, as cherished by the economist Jeffrey Sachs and climatologist James Hansen.

Yet even if some Keynesians and environmentalists are relieved that there is scope for a dialogue with the Democratic administration, commentators are sceptical. In the new budget large sums are being reserved for purposes which may be defined as social (\$1,000bn is officially being allocated to stimulate consumer demand, and the government will make public investments to strengthen the school system). Yet a huge amount of money will again be reserved to keep US financial institutions afloat. On top of the money allocated by Bush at the end of his tenure towards saving banks and insurance companies, Obama's government is reserving \$500bn for a private-public "bad bank" institution, where regular banks can deposit loans which they believe their debtors are unable to repay. There are no signs of a determined break with neoliberalism.

The most questionable decisions made by the new administration relate to military expenditures. During his campaign for presidency, Obama had begun to renege on such commitments as his intention to cut "tens of billions of dollars in wasteful spending". With (now vice-president) Joe Biden, he argued that Pentagon purchasing policies needed to be "streamlined" so more companies can bid for armament orders. Instead of pleading for a drastic reduction in spending, he advocated incorporation of war expenditures into the government's annual budget, and an

expansion in recruitment for the army, through enlistment of another 92,000 recruits.

These have been followed by stunning announcements relating to the future direction of US military spending. In April Obama's government requested a supplementary \$83.5bn towards financing the wars in Iraq and Afghanistan, and Obama's Republican defence minister, Robert Gates, has drafted an official military budget for 2010 of \$536bn, which actually represents an increase. This is completely opposed to the spirit of a Green New Deal. It indicates that Obama is not inclined to keep the US government deficit within limits. It does not indicate that his government intends to cancel any significant part of its massive unproductive public expenditures.

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