

The Bush budget: blueprint for a right-wing assault on the working class

Part one of five articles on Bush's 2004 budget proposal

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This is the first in a series of articles on the social implications and political significance of the Bush administration's fiscal 2004 budget plan. Over the next four days, the WSWS will publish detailed analyses of the budget's tax proposals, its impact on programs benefiting the poor, its implications for the federal Medicare and Medicaid health insurance programs, and its consequences for public education.

The Bush administration unveiled its proposed 2004 budget and its new Economic Report of the President last week. These two documents, together with a series of statements and proposals drafted by various cabinet departments, amount to a blueprint for a social transformation of immense proportions.

What is being prepared by the extreme-right ideologues and worshippers of the capitalist "free market" who comprise the Bush administration's cadre is nothing less than the dismantling of all domestic social programs in the United States, from welfare to public education. They seek to roll back the clock to the nineteenth century, putting an end to all attempts to mitigate the massive social inequality generated by the profit system, and removing all restrictions on the accumulation of wealth by the American financial oligarchy.

As the *Washington Post* pointed out February 9 in a lengthy analysis of Bush's tax and budget policies for fiscal 2004, the administration is "casting aside decades of efforts to close the gap between rich and poor."

The social implications of the Bush budget have been largely ignored by the mass media, which is focused on bombarding the population with administration propaganda in support of the war drive against Iraq. The corporate-controlled media is concealing from the American people what constitutes an unprecedented attack on their living standards and social conditions.

There is a profound connection between the government's foreign and domestic policies. The Bush administration is

engaged in a war on two fronts: overseas, targeting oil-rich Iraq for occupation and plunder, to be followed by other countries such as Iran and North Korea; at home, targeting the working class, with the aim of destroying what remains of the social gains wrested from the ruling elite in the course of a century of struggles to extend democratic rights and establish benefits such as education, health care and pensions.

Bush's budget demonstrates that the drive of US imperialism for global hegemony is incompatible with American working people's elementary standards of social well-being and democratic rights.

In domestic as well as foreign policy, the real aims of the administration are thinly disguised by lying on an unprecedented scale. Bush's State of the Union Speech was replete with distortions and falsifications: depicting a tax cut for the super-rich as a plan to aid jobless workers, presenting a plan to sabotage Medicare as a great expansion and improvement of the health care system, and portraying measures to browbeat the poor and subject them to compulsory religious indoctrination as examples of "compassionate conservatism."

The administration's proposals on the environment employ the Orwellian language that has become its trademark: the "Clear Skies Initiative" is Bush's plan to free air polluters from government regulation, opening national forests to timber interests is labeled the "Healthy Forest Initiative," a billion-dollar handout to the auto companies to develop a future hydrogen-powered vehicle is promoted as a plan to build a "Freedom Car."

The 2004 budget is not really a budget at all. It is not a document that proposes specific spending for the fiscal year and compares cost and income projections to 2003. No budget has yet been adopted for fiscal 2003, which began last September 30, except for the Pentagon and the Department of Veterans Affairs. A spending bill for the rest of the government, a \$391 billion package combining 11

appropriations bills, failed to gain congressional passage last fall and still awaits House and Senate action. The Senate version of this bill provides, among other things, for a 2.9 percent across-the-board reduction in all domestic social spending, a figure nowhere reflected in the Bush administration's 2004 budget.

The new budget report proposes year-to-year increases and decreases by comparing the fiscal 2004 request with what the Bush administration requested a year ago for fiscal 2003. The actual amounts to be appropriated and the real changes from year to year are unknown.

In broad outlines, the 2004 Bush budget calls for outlays totaling \$2.23 trillion, of which just over \$1.4 trillion is already mandated by law, including Social Security and Medicare payments to the elderly, the bulk of Medicaid and other entitlement programs for the poor and disabled, and interest payments on the federal debt.

Total discretionary spending—covering outlays that Congress can debate, change or approve this year—comes to \$800 billion. Of this, just about half, or \$399 billion, goes for the Pentagon, the Department of Energy, and other military-related spending. Domestic security programs account for another \$40 billion.

The trend toward a garrison state, with all available funds directed at war and repression, is unmistakable. Discretionary spending is to rise by \$30 billion compared to what Bush requested last year. Of this \$30 billion, \$23 billion goes to the Pentagon and Department of Homeland Security, leaving only \$7 billion in new spending for all other programs.

The administration's budget message declared: "One conclusion is inescapable. The federal government must restrain the growth in any spending not directly associated with the physical security of the nation."

According to one estimate, Bush's 2004 budget calls for discretionary spending on non-security programs to rise by only 0.5 percent compared to actual spending last year. Most domestic social programs are to be either frozen at the level of last year's request, or allowed to grow at only 2 percent, the projected rate of inflation, regardless of any increase in the actual demand for services due to the economic downturn.

The Department of Housing and Urban Development, for example, would grow at only 1.3 percent, well below the rate of inflation. Programs for rural development, family literacy, vocational education and public housing would be cut below last year's requested levels. The Environmental Protection Agency's Clean Water Fund, already cut from \$1.4 billion in 2002 to \$1.2 billion this year, would fall to \$850 million in 2004.

Other facets of the budget include, for the second

consecutive year, a rejection of the traditional principle of pay parity between military and civilian employees of the federal government. Military pay raises will be more than double those for civilians, 4.1 percent compared to 2 percent.

Within these two categories, pay raises will be distributed in a grossly unequal fashion. Officers will receive raises of up to 6.25 percent, while rank-and-file soldiers could receive as little as 2 percent. Among civilian workers, while the ranks get 2 percent across-the-board, the White House itself will get a 9.3 percent budget increase, and the National Security Council an 11.6 percent raise. The Bush administration is also requesting a \$500 million "performance fund" to provide bonuses for selected "top-performing" individuals, allowing the White House to dole out CEO-style payoffs to favored officials.

Over and above the details of specific cuts, or even major changes in tax, health care and education policy, which will be examined in detail in succeeding articles, what stands out is the sheer recklessness of the Bush budget. The White House projects a \$304 billion deficit for the current fiscal year—a year ago it projected a large surplus—and a \$307 billion deficit for 2004, not counting any costs related to the coming war against Iraq.

Both deficits would exceed the largest US budget shortfall ever recorded—the \$290 billion in red ink registered in 1992, when Bush's father was in the White House. Some analysts have suggested that the 2004 deficit could hit a staggering \$500 billion—or nearly \$2,000 for every man, woman and child in the United States—once the cost of war, recession and additional tax cuts is factored in.

This is not simply mismanagement of federal finances, as portrayed by critics in the Democratic Party or proponents of budget-cutting like the Concord Coalition. It is a deliberate plan, carried out by ideologically motivated zealots, to limit the role of the federal government to military action abroad and police repression at home.

As one newspaper commentator noted, it is no accident that the amount the federal government is expected to borrow this year will coincide almost exactly with the total of all federal discretionary spending on domestic social programs. The ultimate goal of the extreme right is create such havoc in federal finances that the elimination of domestic social spending can be presented as the only possible "solution" to the fiscal crisis.



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