

# Bush budget freezes social spending to pay for military buildup

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14 February 2004

The fiscal 2005 federal budget delivered by the Bush administration to Congress on February 2 combines a record deficit of \$521 billion with record military spending and a virtual freeze on spending to meet domestic social needs. As one of Bush's editorial cheerleaders, the *Wall Street Journal*, observed approvingly, the budget emphatically chooses guns over butter, and demands that Congress follow suit.

The budget for the Department of Defense is to soar from \$375 billion for the current year to a record \$401.7 billion, a rise of 7.1 percent. This includes a 3.5 percent increase in the base pay for military personnel—twice the raise proposed for civilian federal workers—and huge outlays for new weapons and equipment. Tens of billions will flow into the coffers of major arms contractors like Boeing, Lockheed Martin and General Dynamics to pay for 42 new F/A-18E/F Super Hornets, 24 F-22 Raptors, 14 C-17 heavy transport planes and nine new Navy ships.

One of the biggest boondoggles is the \$9.2 billion proposed for the National Missile Defense Agency, the revived version of the Reagan-era “Star Wars” program. This represents a 20 percent rise for a program that repeatedly failed to prove any practical success in destroying incoming missiles. The first 10 interceptors are to be operating this fall in Alaska and California, a schedule determined purely by electoral considerations, since the new weapons system has never to date intercepted anything.

The Pentagon budget actually understates total military spending, since nuclear weapons programs under the Energy Department account for another \$19 billion, and funds for the occupation of Iraq and Afghanistan will be included in a supplemental appropriation that will not be made public until next fall. The actual spending on all military operations will likely exceed \$500 billion.

What might be termed quasi-military spending—allocations for the Department of Homeland Security (DHS) and other domestic counter-terrorism operations—will also rise sharply. The DHS budget will rise 10 percent to nearly \$31 billion, including \$2.5 billion for Project BioShield, supposedly aimed at protecting US territory from a biological weapons attack. At the same time, direct federal grants to local “first responders”—police, fire and emergency medical agencies—will

be cut \$600 million.

The FBI also cashes in on the financial bonanza for domestic security, with an increase of 11.4 percent, bringing its total budget to \$5.1 billion, including \$371 million for the new joint anti-terrorism center run in conjunction with the CIA, and funds to hire 525 new agents.

The fiscal 2005 budget provides a total increase of \$31 billion in discretionary spending—money appropriated annually by Congress, as opposed to funds mandated in previous legislation, such as Social Security and other retirement benefits. Of the proposed increases, only \$2 billion will apply to domestic social needs, while the rest will go to military and domestic security programs.

The budget proposes the elimination of 128 programs, 65 this year and 63 over the course of the next five. While most are small, and the total amount of funding involved, \$4.9 billion, is a small fraction of the \$2.3 trillion budget, the selection of targets nonetheless lays out the social priorities of the Bush administration. Nearly all the programs to be eliminated serve children, the poor, the sick, those living in public housing—i.e., the most vulnerable sections of American society.

The White House was initially reluctant to provide a list of the eliminated programs. By the end of last week, however, a budget document reached Congress showing that 38 of the 65 programs to be eliminated were in the Education Department. These included programs for dropout prevention, the encouragement of gifted children, literacy and arts-in-education. The biggest single cut will be elimination of a \$246 million family literacy program called Even Start. There will, however, be an increase of \$50 million to support “school choice” programs, which promote private and religious schools at the expense of public education.

Overall funding for the Department of Education will rise by 3 percent, with \$1 billion in increased aid to poor school districts, \$1 billion more for disabled students, and \$823 million more for Pell grants to low-income college students. None of these increases comes close to meeting the actual social need: in the case of Pell grants, for instance, the maximum grant will remain unchanged at \$4,050, since the additional funds will be absorbed by a greater number of poor students seeking aid.

While Bush used his State of the Union speech to tout a proposed \$250 million increase in job-training programs run through local community colleges, his budget actually cuts overall federal funding for vocational and adult education by 35 percent, from \$2.1 billion to \$1.4 billion. Programs to train migrant farm workers for new jobs are to be eliminated, along with retraining assistance for workers whose jobs were eliminated by the North American Free Trade Agreement (NAFTA) and a program to help disabled people find jobs. Federally subsidized childcare services will be phased out for as many as 365,000 children.

Other programs set for outright elimination include Community Development Block Grants for impoverished areas (\$334 million), health professional training grants (\$409 million), rural health aid (\$147 million) and housing aid for Native Americans. Among the largest and most ominous cuts is a proposed reduction for election reform—funding initially provided to states to help them avoid election debacles like that which occurred in Florida in 2000. This \$1.49 billion program will be slashed to only \$65 million in 2005.

The Bush budget imposes an across-the-board freeze for most domestic programs, holding them to annual increases of no more than 0.5 percent, which amounts to a cut in real dollars, since it is less than half the rate of inflation, currently 1.3 percent. This applies to programs for education, housing, the environment, veterans' assistance, transportation and job training. Seven of the 16 federal departments are to see an actual cut in the amount of money appropriated.

The biggest percentage cuts are for the Agriculture Department (down 8 percent) and the Environmental Protection Agency (down 7.2 percent), reflecting the Bush administration's hostility to environmental concerns and its complete subordination to oil and chemical companies and other big industrial polluters, as well as mining and other extractive industries.

Among the hardest-hit programs are environmental science and research, waste treatment and water quality, soil and wetlands conservation, and forest firefighting (because funds were borrowed from next year's budget to fight the series of huge fires this year). Funding is maintained for farm subsidies that go largely to the big agribusiness corporations.

Some proposals in the area of natural resources seem particularly perverse. The administration, which still denies the existence of global warming, proposes to reduce funding for research on climate change while tripling spending, from \$208 million to \$635 million, on so-called "clean-coal technology," thereby promoting that form of energy production which is most destructive to the environment. The White House proposes \$1.2 billion in funding for developing alternative energy sources, but this is to come from the sale of leases for oil drilling in the Arctic National Wildlife Refuge (ANWR), an industry-backed attack on wilderness land that has been repeatedly rejected by the Senate.

The handful of increases proposed are mainly related to the so-called "war on terror," including \$381 million to increase Agriculture Department lab capabilities against the threat of terrorist attacks on the food supply and \$120 million to beef up security at nuclear power plants.

Total federal spending on health care will rise by 5.8 percent, but this is largely driven by increased Medicare costs, which are legal obligations of the federal government. Discretionary spending on health care will rise by only 1.2 percent, less than \$1 billion, of which \$160 million goes to Bush's proposed program to "encourage" marriage among low-income people, a sop to the religious right. Another \$135 million is for a "bio-surveillance" program to monitor emergency rooms for potential victims of terrorist attacks using biological weapons.

The White House has sought to address the growing crisis of the uninsured—more than 43 million Americans have no health insurance and must rely on emergency rooms for treatment—by once again proposing a plan based on tax credits, but with no funding attached.

Federal spending on public housing will rise at just above the inflation rate, 2.8 percent, but several programs are being eliminated, including HOPE VI, which provided \$149 million in the current year to renovate blighted housing projects. The Housing Choice Voucher Program will be reorganized to cut the number of families served by 250,000. Religious organizations will be invited to become involved in housing development programs.

The Department of Transportation will see its discretionary budget slashed by 4 percent, with one of the biggest cuts, \$300 million, coming out of Amtrak, the national passenger rail service. Nearly \$400 million will be cut from capital spending by the Federal Aviation Administration, forcing it to defer planned equipment upgrades for the air traffic control system.

The budget also calls for an effective freeze on spending by the Department of Veterans Affairs, despite an aging population of veterans and a new influx from the ongoing wars in Iraq and Afghanistan, which have resulted in at least 10,000 soldiers evacuated to the United States for medical reasons. The Veterans Affairs Department will increase enrollment fees and drug co-pays for some veterans.



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