US budget slashes social spending to pay for war and repression

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9 February 2005

The budget released by the Bush administration Monday provides for $2.57 trillion in spending, but two thirds of this falls under programs already mandated by Congress, including Social Security, Medicare, unemployment compensation and the payment of interest on the burgeoning national debt. The main focus of the budget document is so-called discretionary spending, which requires annual appropriations by Congress.

The priorities of the Bush administration are clear. There are substantial increases in spending on the military, the Department of Homeland Security and the intelligence and diplomatic services: all the institutions of violence and propaganda on behalf of American imperialism. Those federal agencies charged with responsibility for health, education, environmental protection and social welfare face across-the-board cuts.

In raw numbers, the $19 billion increase in Pentagon spending—up from $400 billion to $419 billion—almost exactly equals the nearly $20 billion in cuts on various social programs. The equation is not accidental. In the choice between guns and butter, the Bush White House has come down unequivocally on the side of guns.

The 4.8 percent increase for the Pentagon, brings the cumulative increase in military spending since Bush took office to 41 percent. On top of this, the Department of Homeland Security gets a boost of 7 percent, the State Department 15.7 percent, FBI and other Justice Department counterterrorism programs 17 percent, and the intelligence agencies an unpublicized but no doubt even larger increase. Another $20 billion is proposed for spending on nuclear weapons programs at the Energy Department, including restored funding for research and development on a new earth-penetrating “bunker buster” nuclear bomb.

To offset these increases and meet Bush’s target of limiting the rise in public spending to 2.2 percent, all other discretionary programs must be cut an average of 1 percent. Nine of the 15 cabinet departments lose funding, with the largest proportionate cuts in Housing and Urban Development (11.5 percent), Agriculture (9.6 percent) and Transportation (6.7 percent). The Environmental Protection Agency will be cut 5.6 percent.

Education—The Department of Education would be cut 1 percent, its first actual reduction under Bush. Education programs account for 50 of the 150 programs Bush has proposed to eliminate or substantially cut. The largest single cut is the elimination of the $6 billion Perkins loan program. This more than offsets a slight increase in Pell Grants, where the maximum grant will rise by $100 per student, per year.

A total of $2 billion is to be cut from high school education, including vocational education, Upward Bound, Talent Search and other programs to help poor and minority students prepare for college. The Even Start program, to promote literacy among children whose parents are illiterate, is being scrapped, as well as two programs, costing $474 million, to reduce drug and alcohol abuse among students.

Health care accounts for the largest single cut. Proposed changes to Medicaid, the federal health plan for the poor, call for taking $60 billion out of the program over the next decade. [*See* “Bush plans renewed assault on Medicaid”]

Other cuts at the Department of Health and Human Services include $100 million from a $300 million program to train doctors at children’s hospitals, and 64 percent of the budget for training other health professionals. The budget eliminates a $9 million program for the treatment of people with spinal cord injuries and $9.9 million to derive stem cells from blood extracted from umbilical cords—not from embryos. Meanwhile there are increases in programs that amount to little more than religious indoctrination: $280 million to promote marriage preservation, sexual abstinence, and "responsible fatherhood," administered through contracts with "faith-based" organizations.

Housing—Bush proposes to consolidate five separate housing and community development programs, currently funded at $5.7 billion, into a single program costing $3.7 billion and administered by the Commerce Department, traditionally more aligned with business interests. Housing for the disabled would be cut nearly in half, by $118 million, as well as housing assistance of those with AIDS and for Native Americans. The Low-Income Home Energy Assistance Program, which subsidizes heating bills, would be cut 8.4 percent, even amid soaring fuel and energy prices. Another $143 million would be cut from a program to clear severely deteriorated housing stock.

Job training will be cut back significantly, through the consolidation of four training programs administered by the states, and the elimination of the job training for migrant farmworkers and young people newly released from prison. The Labor Department's overall budget will be cut by 4.4 percent.

Food and agriculture spending will fall sharply. Food stamp benefits would be eliminated for 200,000 to 300,000 people, and a freeze in child-care funding would cut the number of low-income children receiving help by 300,000 in 2009. Bush aims to save $57 million this year and $1.1 billion over 10 years by denying food assistance to poor families—those with incomes well below the poverty line, but slightly above the level that guarantees eligibility for cash welfare benefits. The Community Food and Nutrition program would be eliminated.

Bush also proposed $8.2 billion in cuts to farm subsidies, which will undoubtedly affect small and medium-size farmers more than the large corporate farmers who are in a position to influence the language of the appropriations bill. Farmers will be compelled to purchase larger amounts of private insurance in order to qualify for federal disaster relief, a requirement that will certainly push many smaller farmers out of the market.

The environment—A half-billion dollars will be cut from water-quality and sewage programs at the Environmental Protection Agency, as well as programs for land restoration and preservation. The Superfund, the EPA's program for cleaning up the most toxic industrial and mining sites, is perpetually underfunded.

There is a 1.1 percent cut in the Department of the Interior, with a 3 percent cut at the National Park Service and a 5 percent cut for the Bureau of Indian Affairs, nearly $110 million cut from programs for America's indigenous population, the most impoverished social group. At the Department of Energy, money for cleaning up nuclear waste sites will be reduced, even as more money is spent on building new nuclear weapons.

Transportation—Bush proposed the elimination of federal subsidies to Amtrak, the national rail passenger system, which would force closure of a vital artery in the northeastern states (none of which voted for Bush). The budget would also cut $250 million for rehabilitating dilapidated railroad lines.

Veterans—One of the most noxious cuts, for an administration whose wars are creating tens of thousands of new disabled veterans, is to VA health programs. The Bush budget would more than double the prescription drug co-payment for some veterans, from $7 to $15, and require an annual enrollment fee of $250 for drug coverage. The charges would affect non-disabled veterans with incomes above the poverty level. The VA will seek to sharply reduce the number of nursing home patients it subsidizes, from 38,000 to 33,000, aiming to shift funding to the influx of new, younger veterans whose bodies or minds have been damaged by the wars in Iraq and Afghanistan. Several VA hospitals will also be closed.

Pensions—The Bush budget calls for a drastic increase in the premiums paid by corporations with pension plans, to finance the deficit of the Pension Benefit Guaranty Corporation, whose assets have been drained by the bailout of the steel and airline industry pension funds. Premiums will soar from $2.3 billion last year to $4.4 billion in 2006 and $5.9 billion in 2007. The effect of this measure will be to encourage private companies to cancel traditional defined-benefit plans, which are backed by the PBGC, and go over to 401(k) plans, where the financial risks are borne entirely by workers and not the employer.