

White House demands budget cuts to pay for US hurricane relief

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The White House has chosen to mark two months since the devastation of Puerto Rico by Hurricane Maria with one of the cruelest actions of the Trump administration. It is demanding that the cost of hurricane relief for Texas, Florida and Puerto Rico be extracted from working people through cuts in domestic social spending.

A letter from Budget Director Mick Mulvaney to Congress, sent Friday, proposes \$59.2 billion in “offsets,” in other words, money that would be diverted from meeting domestic social needs such as education, health care and infrastructure to pay for relief and reconstruction after the three disasters of the past hurricane season: Harvey in southeast Texas, Irma in Florida, and Maria in the US Virgin Islands and Puerto Rico.

Mulvaney’s letter communicated the administration’s request for another \$44 billion in hurricane relief spending, on top of \$52 billion already appropriated by Congress in the wake of Harvey and Irma. “The administration believes it is prudent to offset new spending,” Mulvaney wrote. The cuts would affect “projects and activities that are not as high of a priority as responding to this year’s hurricanes in a fiscally responsible manner.”

Only a few of the proposed cuts were itemized, including a whopping \$3.9 billion from student financial aid, \$1 billion from transportation infrastructure, \$520 million from the Army Corps of Engineers’ flood control and coastal emergencies account, and nearly \$1 billion from farm security and conservation programs in the Department of Agriculture.

The bulk of the cuts, some \$44.4 billion according to the Office of Management and Budget (OMB), would come from extending the mandatory spending caps applied under the Budget Control Act of 2011 (the so-called sequester), which would no longer apply to national security spending but would continue to hit domestic programs across the board.

The disaster relief funds requested by OMB would include \$25.2 billion for the Federal Emergency Management Agency (FEMA) and Small Business Administration for “traditional disaster relief,” with \$12 billion for future flood mitigation projects in the affected areas and \$4.6 billion to repair or replace damaged federal property and equipment.

The total of \$44 billion in new relief funds is well below the \$61 billion requested by Texas state and local officials alone, let alone the \$94 billion that Puerto Rican Governor Ricardo Rossello told Congress last week would be required just to rebuild the island’s housing stock and infrastructure, particularly the shattered electrical grid. Half of Puerto Rico is still without power. There are zero funds for the parts of northern California devastated by recent wildfires.

The White House said that most of the funds requested Friday were for Texas and Florida because a full damage assessment wasn’t yet completed for Puerto Rico and the US Virgin Islands, which would require a further supplemental aid request. Puerto Rican officials expressed concern that such a request would be swamped in the year-end rush to complete a spending bill for the federal government as a whole.

Congress has until December 8 to approve the fiscal 2018 budget, and it is already expected to delay the deadline until December 22, insuring a Christmas Eve legislative frenzy in which measures deemed “extraneous,” like aid to Puerto Rico, would likely be thrown to the curb.

Puerto Rico filed for bankruptcy last year. A federally appointed fiscal oversight board has been running the island territory’s finances since then, under terms of the PROMESA legislation approved by President Obama. The top lawyer for the board said last week that Puerto Rico might have to suspend debt service payments for five years because of the hurricane disaster, an action that

could produce financial convulsions on Wall Street, where a small group of banks and hedge funds hold most of its \$74 billion in external debt.

The White House demand that the working class pay for the devastation caused by the hurricanes comes on the two-month anniversary of Maria's landfall in southeast Puerto Rico on September 20. The full extent of the destruction on the island is hard to grasp. Nearly every school, hospital, clinic and other public building was damaged, flooded or destroyed outright. Nearly half a million homes were damaged or destroyed. One in 10 Puerto Ricans still lacks access to potable water.

The Puerto Rican government still maintains that only 55 people died in Hurricane Maria, but this figure is widely disbelieved. CNN published on Monday the results of a systematic survey of 112 funeral homes, half of those on the island, which tallied 499 deaths attributed by funeral directors to the hurricane, suggesting that the overall total is close to 1,000.

The deaths took place mostly in the days immediately following Maria's landfall, and predominantly among the elderly, and included people who died from fires caused by using open-flame sources for light and heat, in the absence of electricity, people who died because their electrical medical equipment stopped working, and people who committed suicide under the stress of widespread and continuing deprivation.

There will be more deaths, as many hospitals and medical clinics are still closed or making do with emergency power from generators, and Puerto Rico's Medicaid program, which serves 900,000 people, more than one-quarter of the population, faces a shutdown due to lack of funds. In the wake of Hurricane Katrina, the Bush administration waived the requirement that the states in the disaster zone contribute matching funds to Medicaid, raising the federal share to 100 percent. The Trump administration has made no similar offer to Puerto Rico, and the program is expected to run out of money early in 2018.



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