

## Bush loots Americans to pay for Gulf war

by Kathleen Klenetsky

There is a certain grotesque symmetry between George Bush's war in the Persian Gulf, and the fiscal 1992 budget which he submitted to Congress Feb. 4. Where Bush plans to use the devastation of Iraq to set the precedent for the mass looting of Third World resources, his budget proposes to pay for that savagery by further looting the living standards of the American population.

Although, incredibly, the budget makes little mention of Operation Desert Storm, it does answer the question—albeit obliquely—that has been hanging in the air since Bush first unveiled Operation Desert Shield: How could the depression-racked U.S. economy possibly afford to finance the President's obsession with destroying Saddam Hussein and Iraq as a whole?

The answer can be found in the massive budget cuts which the administration plans to make in a host of vital programs, in the complete lack of any proposals to deal with the human misery resulting from the ongoing economic collapse, and in the implicit assumption underlying the \$1.45 trillion budget, that a hyperinflationary spiral will temporarily alleviate the worst symptoms of the depression.

### Contempt for life

Giving the lie to the President's State of the Union rhetoric about launching new programs for the needy, the budget actually represents a frontal assault against the most vulnerable sections of the population.

The most telling evidence is the administration's proposal to hack another \$23 billion from Medicare—the government program that provides health care for those over 65 and for the disabled. That \$23 billion comes on top of last year's budget, which mandated \$32 billion in cuts in Medicare over the next five years.

The arithmetic is simple to calculate: A whopping \$55 billion will be gouged out of health care for the elderly. The consequences are just as simple—if inhuman: Many people will die, because it is utterly impossible to cut that much from Medicare without making correspondingly lethal cutbacks in the quality and availability of medical care.

Indeed, a large chunk of the proposed \$23 billion in "savings"—a favorite euphemism of the budgeteers—will come out of Medicare payments to teaching hospitals, which have already been subjected to deep cuts over the past several years. These hospitals generally service inner-city areas, where they frequently represent the only health care available to the local population, as well as more severely ill patients, who come to these centers because they can offer the most advanced treatment.

If approved, the Medicare cuts will cause a "deterioration in the quality of care and access to care" at hospitals, says Paul C. Rettig, executive vice president of the American Hospital Association.

"No one should be shocked by what Bush is proposing," says another analyst. "Isn't it clear to people that if Bush can go around killing innocent civilians in Iraq with no compunction whatsoever, he won't have any problem killing old people at home. Even though slashing Medicare benefits might not seem as bad as bombing hospitals or schools, the effect is the same: People die."

### Cheap tricks

While Medicare may be the most obvious area from which Bush plans to steal, it is certainly not the only one. The student loan program is slated for an overhaul, under which students from working- and middle-class families will be virtually foreclosed from receiving federal benefits. For instance, the Pell

Grant program will shift its funding almost entirely to those from families earning less than \$20,000 a year.

The Bush team cites this proposal as evidence that the administration doesn't really favor the "rich." But what are the actual consequences? Prospective college students from families making \$20,000 a year, hardly a princely sum, and certainly nowhere near enough to finance a college education, will have to borrow large amounts of money (if they can qualify) or go into the military reserves, if they want to get a college degree.

The administration uses the same cheap trick in its proposal to spend \$170 million in the new budget to provide comprehensive prenatal care to pregnant women in cities with high infant mortality rates. Sounds okay, until you find out that the cost of the program will be taken from existing maternal and child health programs, and from community health centers serving low-income people.

Possibly even worse is the administration's proposal to cut \$3.5 billion from veterans' benefits, coming as it does when U.S. soldiers are dying in the desert for the sake of their commander-in-chief's insane policies.

Other Bush budget proposals that will result in greater hardship for the population include one to slash federal grants to public libraries, from \$84 million this year to \$35 million next, eliminating federal payments for the construction of public housing, and terminating the Commerce Department's Economic Development Administration.

The budget establishes an ominous precedent for future gouging of the most important entitlement programs—Social Security, farm price supports, Medicare—by proposing to cut entitlement benefits to those making over \$125,000 a year.

This is typical populist demagoguery, meant not simply to silence critics who contend that the Bush gang favors the wealthy, but to get a foot-in-the-door for capping or cutting such benefits to the not-so-wealthy next time around. Budget director Richard Darman hinted at what is to come, in a statement accompanying Bush's proposals in which he bemoaned the "explosive growth" in federal benefits to individuals.

In the midst of the worst economic collapse in recent memory, the budget offers not one new initiative to help the multiplying numbers of people who have lost their jobs, their homes, and their ability to feed themselves and their families, thanks to the imbeciles who are currently running U.S. economic policy.

According to the Center on Budget and Policy Priorities, the budget proposes "an overall reduction of \$760 million in funding for low-income non-entitlement programs" while offering "no supplemental assistance for unemployed workers and their families." It also eliminates a program that aids U.S. workers who lose their jobs as a result of foreign competition.

Instead, the administration's economic wizards, led by Darman, insist that the depression will be short-lived, and will be followed by an economic resurgence later this year.

Michael Boskin, chairman of the President's Council of Economic Advisers, declared Feb. 4 that the "recession" will be "mild and brief." Bush himself insisted, in his message accompanying the budget, that there is no need for new measures aimed at alleviating the depression's consequences, because the economy will be bouncing back by midyear.

The economic assumptions behind these predictions are truly ludicrous. According to Boskin, the Gross National Product will contract no more than 1.1% for the entire recession, which, he claims, won't last beyond the first quarter of 1991. The budget assumes that the economy will then grow by 3.6% in 1992, and by about 3% in future years.

These rosy predictions fly in the face of such realities as the precipitous collapse of U.S. manufacturing, the huge explosion in joblessness, the collapse of the real estate market and the banks, etc., etc. They are so ridiculous, that even other "establishment" economists have been forced to comment. William Niskanen, who served as President Reagan's chief economic adviser, says, "I do not see much of a recovery. I see no basis for sustained growth."

Ironically, where the budget debate of the last five years has been fixated on the question of bringing down the deficit, the Bush administration's 1992 budget allows for a deficit of \$318 billion—and that doesn't include the full cost of the Gulf war, nor of the S&L bailout.

## Fairy tales

On the question of financing the war, the administration has decided to "fudge." The budget, as published Feb. 4, allows only \$15 billion for the war, paid for out of the Defense Department budget. President Bush says he will present a supplemental request to the Hill in mid-February, but the expectation is that he will wildly underestimate the true cost of the conflict.

Estimates of the war's cost run upwards of \$86 billion (the Congressional Budget Office's figure) for a six-month conflict. The administration's last formal statement on the subject projected that it would cost over \$50 billion, but that estimate is ridiculously low.

Obviously, the longer the war lasts, the greater the cost will be, not only in the direct expense associated with munitions, manpower, etc., but in the toll it takes on the domestic, as well as global, economies. If oil supplies are disrupted or destroyed, and the price per barrel zooms to \$100 a barrel or more, the effect will be catastrophic.

But the Bush administration dismisses these considerations, at least in public. It insists that the coalition will cough up most of the money to pay for the war, even though the burgeoning anti-war sentiment in many of these countries, such as West Germany and Japan, will make that an extremely difficult maneuver to execute.

The bottom line? Bush's lunacy has not only involved the U.S. in another Vietnam, it also is driving the country deeper into an economic quagmire from which it may never recover.