

Gramm-Rudmanized budget passed by Senate

by Nicholas F. Benton

The U.S. Senate moved with unprecedented haste and concord to avoid a political bloodbath over the terms for slashing the Fiscal Year 1987 budget down to fit the provisions of the Gramm-Rudman amendment, which mandates an arbitrary ceiling on each year's federal budget deficit.

The Senate, by a wide majority reflecting bipartisan support, swiftly voted up a \$1 trillion budget resolution on May 2, and sent it over to the House, which promised to pass its own version within a week. While the White House, learning of this news while the President was in Tokyo for the annual economic summit, voiced reservations over the modifications of Reagan's originally proposed FY87 budget in the direction of tax and domestic spending increases and cuts in defense, even its remarks were surprisingly mild.

The only explanation for this remarkable display of bipartisan concord is the almost paralyzing fear in Washington of the LaRouche phenomenon, and the conviction of all the incumbents that they must slip the new Gramm-Rudman budget through with as little fuss and furor as possible in this election year. In Illinois, two candidates associated with Democratic presidential candidate Lyndon H. LaRouche, Jr. won the March Democratic Party primaries on a platform which labeled Gramm-Rudman a national disaster.

Congress wants to be able to present the American population with a *fait accompli* as quickly and quietly as possible, comforting them with the consoling remark, "See, that wasn't so bad, now was it."

But while Washington continues to play this fantasy perception game, the figures in the Senate's proposed budget tell a different story. Massive cuts in defense (\$19 billion), federal revenue sharing to state and local governments, and Medicare are singled out in the proposal to make up almost all of the cuts. In addition, the Senate budget chisels Social Security and federal pension recipients and federal employees, by arbitrarily adjusting cost-of-living inflation estimates

down from 3.4% to 2% in order to save \$4 billion.

Despite the huge bite taken out of the defense budget, Senate Republicans voted 38-13 for the budget resolution, joined by a 28-16 Democratic vote for an overwhelming 66-29 majority. The Republicans were arm-twisted into accepting the "compromise" by their own boss, Senate majority leader and presidential aspirant Robert Dole (R-Kan.), because the figure, while \$19 billion below what the President wanted, was still \$6 billion above what the Senate Budget Committee, in the proposed budget they brought to the Senate floor earlier, advocated. Dole now figures that his ability to pull this one off will improve his presidential chances.

But now, the Democratic-controlled House is certain to take a much bigger bite out of the defense budget—the general estimate is around \$38 billion, or twice the Senate cut. This means that in order to resolve their differences, the House and Senate will ultimately come out with a compromise that will take some \$25 to \$28 billion out of defense.

This result, as Secretary of Defense Caspar Weinberger has stressed, will be disastrous for the future of the Western alliance. It will almost certainly mean a major U.S. troop withdrawal from Western Europe, which would tip the political balance—aggravated in the recent period by the efforts of pro-"decoupling" interests to exploit the lack of consensus on the Libyan attack, as well as threats of trade war—of many European nations away from NATO.

While the ultimate political "fallout" of the Russian nuclear disaster on Europe remains to be seen, the fall of the pro-NATO Norwegian government coalition is another potentially ominous step toward the disintegration of the alliance. It could become irreversible once Congress begins to translate its proposed defense cuts into troop withdrawals from Europe, especially with West German elections now less than a year away.

But this kind of reality does not find its way into the

hallowed corridors of Congress. Instead, it is the perception game, especially in an election year with hundreds of LaRouche-movement candidates challenging the incumbents, which motivates Congress. Instead of reacting to the reality principle as LaRouche and Weinberger have been spelling it out, the Congress has chosen to hide behind the chimera of consensus politics.

Euthanasia

Other aspects of the Gramm-Rudman insanity built into this Senate budget resolution are worth noting. While the President's original proposed budget called for eliminating 44 domestic programs to cut \$28 billion, the Senate version which passed calls for saving \$22.3 billion by cutting only two programs—federal revenue sharing and Conrail—and making deep cuts into Medicare.

That means that almost two-thirds of the Senate, including two-thirds of its Democrats, had no qualms about the deadly effects on the nation's elderly of taking such a huge cut from Medicare, despite the overwhelming evidence, provided through testimony before the Senate and House Committees on the Aging, of the abuses of care in hospitals around the nation under the constraints that exist even under current levels of Medicare funding.

The impact of these cuts is going to be a major escalation of active euthanasia against the nation's elderly—with a broad consensus of support from both Democratic and Republican leaders in the Senate. There is no reason to believe that the House will vote significantly differently on this issue, either.

Combined with the termination of federal revenue sharing, and the chiseling on cost-of-living increases for Social Security and federal pension recipients, the cutbacks in Medicare will result in unprecedented carnage against the nation's most vulnerable sectors, in particular, the elderly. The revenue-sharing cuts will mean either large tax increases and user fees at the state and local levels, or terminated services generally. Targeted will be programs such as rodent abatement programs and other sanitation and infrastructure improvement programs.

With diseases on the rise in the United States, ranging from the deadly pandemic AIDS to tuberculosis (see article, page 10), these cutbacks will further severely weaken the nation's ability to protect its health.

And while all of these draconian cuts are being built into the FY87 budget with overwhelming agreement from both sides of the aisle, the international investment houses and banks which own almost all of the nation's \$2 trillion debt have been ensured that no incumbent, anyway, has the slightest intention of tampering with their annual tribute of \$180 billion. There's no question but that every incumbent would cut as much defense or Medicare as is necessary to insure that the banks get paid every penny, on time.

It maybe has not sunk in yet, but that kind of consensus among these incumbents is precisely why they have so much to fear from LaRouche.

Budget law argued before Supreme Court

by Sanford Roberts

When the lawsuit popularly known as "the Gramm-Rudman case" went before the Supreme Court on April 23, who should be there to defend the role of the Comptroller of the Currency in cutting the federal budget, but Jimmy Carter's former White House counsel Lloyd Cutler—one of the most notorious foes of the U.S. Constitution.

On April 23, the nine Justices of the U.S. Supreme Court heard oral argument in the suit captioned *Bowsher v. Synar*, otherwise known as the Gramm-Rudman case. Their ruling is not expected until July.

Gramm-Rudman obligates Congress to meet a series of targeted budgetary deficits, shrinking in size over five years, until a balanced budget is achieved in 1991. If Congress fails to meet the targets, Gramm-Rudman automatically turns the authority to cut the budget over to a triumvirate of bureaucrats: the Director of the Office of Management and Budget (OMB), the Director of the Congressional Budget Office (CBO), and the Comptroller General. This "automatic pilot" mechanism is the focus of the *Bowsher v. Synar* litigation.

On Feb. 7, a special three-judge panel decided Gramm-Rudman was unconstitutional on separation of powers grounds. The panel ruled that because the statute invested the administration of budget cuts in the Comptroller General, an officer of the legislative branch, the Act unconstitutionally mandated a *legislative* official to carry out *executive* functions. A broader challenge over whether or not Congress could delegate the powers encapsulated in Gramm-Rudman to another branch of government was rejected by the three judges.

Before the Supreme Court, Lloyd Cutler, in a remarkably convoluted argument, declared that the lower court should not have voided Gramm-Rudman, but rather should have struck down the 1921 law which made the Comptroller a legislative official. This, according to Cutler, would have cured the constitutional deficiencies pointed to in the opinion of the three-judge panel.

Cutler was interrupted early along by Associate Justice Sandra O'Connor who asked him the obvious question, "Aren't we reviewing the 1985 act [Gramm-Rudman]?" Cutler said no, and gave a tortured explanation of how a Court reviewing a 1985 law could end up invalidating a 1921 statute as the remedy for the alleged wrong. The Achilles heel of Cutler's argument is the intent of Congress as expressed in the so-called "fallback" provision. Under this provision, if