

## Half a million troops face Gramm-Rudman axe

by Nicholas F. Benton

President Ronald Reagan will face the gravest political crisis of his career when he returns from his Santa Barbara vacation on Sept. 8, and finds what the "budget balancing" Gramm-Rudman law is poised to do to the nation.

The Pentagon announced Aug. 27 that if Congress does not act to bring the Fiscal Year 1987 budget in line with the Gramm-Rudman target of a \$144 billion deficit by Oct. 1, and "automatic sequestering" occurs, then 590,000 U.S. troops will have to be laid off.

This would be the worst single military blow ever dealt to the U.S. (U.S. war dead in World War II numbered 259,000). According to Department of Defense analysts, 310,000 active troops (15% of the total), and another 280,000 reservists and National Guard (25% of the total), could no longer be afforded if Gramm-Rudman "sequestering" occurs. The layoffs would be effective on Oct. 1. "We might as well lower the flag if this happens," one observer said.

Under the provisions of Gramm-Rudman, Congress was told at a joint Office of Management and Budget (OMB) and Congressional Budget Office (CBO) press conference Aug. 19, that the mid-August "snapshot" of the budget showed that Congress was still \$20 billion over the \$144 billion Gramm-Rudman target for FY87. Since the law stipulates that Congress must come within \$10 billion of the target to avoid the triggering of the automatic sequestering provision, this means that Congress will have to find at least \$10 billion in additional cuts in the three short weeks before the clock strikes midnight on Oct. 1.

Either that, or the pre-programmed computers at the OMB and CBO will terminate almost 600,000 military personnel in one fell swoop.

President Reagan's dilemma is that, while, on the one hand, the loss of 600,000 troops is unthinkable, he has al-

ready promised on his national radio program that he will veto the House Defense Authorization bill, which cuts his original defense budget request of \$319 billion by 11%, to \$285 billion. But if the Congress is to avoid "sequestration," it will be compelled to drive down the defense budget even further than the present House figure.

The consequence is a full-blown crisis of government. If the President keeps his promise and vetoes the congressional cuts in defense, then he will trigger the Gramm-Rudman sequestering that will cut far deeper yet. And Congress cannot agree to cut another \$10 billion without taking a major share out of defense, given that it is an election year, and every Congressman and a third of the Senate are confronting increasingly unemployed, poverty-stricken, angry constituents at the polls in November.

### 'The LaRouche option'

The President's only option is to throw out Gramm-Rudman and the whole set of economic assumptions associated with it. He must do so by declaring a national emergency. Tossing the monetarist "free-trade" myths out the window, he must adopt the set of emergency economic reforms outlined by economist and Democratic presidential contender Lyndon LaRouche. Using President Franklin Roosevelt's war mobilization efforts as a model, the President must go before a joint session of Congress to spell out the steps to deal with the national emergency.

No other options exist for the President, except the surrender of the United States to its Soviet adversary. With Soviet-ignited hot-spots expected to spill over in the Middle East, Korean peninsula, southern Africa, and elsewhere in coming months, the United States would be paralyzed to act.

While it is true that, due to a technicality, Gramm-Rud-

man was declared unconstitutional by the U.S. Supreme Court in July, the overwhelming congressional consensus, supported by President Reagan, is to reinstate the "automatic sequestering" mechanism, either by switching the responsibility from the legislative branch (the CBO) to the executive branch (the OMB), in order to bring the law into compliance with the "separation of powers" criterion of the Constitution, or simply by voting to accept the computer-generated figures for sequestering when they are announced Oct. 6.

With election promises binding the Congress into rigid ideological postures, a "gridlock" is most likely to set in within the first days after the Congress returns to Washington and finds itself with only three weeks to settle differences on how to cut another \$10 billion out of the budget.

In past years, the Congress avoided the pressure of the Oct. 1 deadline for the start of the new fiscal year, by funding the operations of government through a series of "continuing resolutions," doling out the dollars piecemeal, while continuing to haggle over budget differences for months into the new fiscal year. This time, the luxury of that "timeless" method no longer exists. Under Gramm-Rudman, a complicated set of procedures is triggered on Oct. 1, to evaluate how close the Congress has come to hitting the Gramm-Rudman deficit reduction target for the FY87 budget. If Congress resorts to "continuing resolutions," a prescribed formula for projecting the total budget from that amount has been worked out to evaluate the total budget. On Oct. 6 the results will be announced, and sequestering will either be triggered, or not.

Thus, Congress has until Oct. 1 to get the budget deficit under \$154 billion (as of mid-August, it was pronounced to be \$164 billion). If it fails to agree on those cuts, then the automatic sequestering mechanism will take the figure all the way down to \$144 billion, in a brutal computer-generated procedure.

Can Congress do this? The smart betting money says no. The defense authorization bills passed by both houses just before the Aug. 15 recess are irreconcilable, mainly because the House bill has amendments tagged on that are a total repudiation of President Reagan's defense policy. The House bill slices more than 40% off the budget for the Strategic Defense Initiative (SDI), and demands that the President comply with the SALT II accord (even though an authoritative national poll shows that the American public favors abandoning the accord by a 70% to 22% margin). While the President has already said he will veto any such bill, the Republican-controlled Senate, whose own defense authorization bill is \$23 billion below what the President originally requested, could never reconcile itself with the House bill.

Nonetheless, the pressure to cut \$10 billion by Oct. 1 will force both houses to draw down their defense totals below the current House figure, raising the spectre of the President's promised veto. Further, the House bill is laden with hardened ideological positions that will not be compromised be-

cause of their perceived value in the November elections. Thus, on defense alone, the situation is hopeless.

Such deep ideological rifts were allowed to persist, never fully resolved, through the "continuing resolution" route in the past. This time, they will be torn even wider open in the three short, pressure-packed weeks the Congress will have before Oct. 1.

## The national security requirements

Secretary of Defense Caspar Weinberger has stated with increased intensity, since the passage of Gramm-Rudman last December, that national defense cannot be made secondary to budgetary considerations. He has often told congressional hearing panels that expected "concessions" from him by the Congress represented a misunderstanding of his role. His job, he has often said, is not to present a budget to the Congress that will fit its needs for reducing the deficit; his job is to report as honestly and candidly as he can, what the national security needs of our nation are, and what it will cost to meet those needs.

Despite Weinberger's insistence that the original administration request for \$319 billion was essential to maintain an adequate deterrent against an unprecedented Soviet strategic buildup, the White House began indicating in August that it "could live with" the Senate Defense Authorization bill's total of \$296 billion. This total included only \$3.8 billion of the original \$5.4 billion requested for the SDI. On the other hand, Reagan was insistent that the House bill, at \$285 billion, was intolerable, especially with the cutback to \$3.1 billion for the SDI, and the provisions demanding compliance with SALT II, halting nuclear and ASAT testing, and blocking production of new chemical weapons. The House bill included a provision that SALT II should be honored even if Soviet violations were demonstrated.

Under Gramm-Rudman, however, even the House figure puts the total budget over the mark by \$20 billion.

President Reagan's only recourse is a repudiation of Gramm-Rudman and of monetarism. In declaring a national emergency, he must act to put the dollar back on the gold reserve standard, lower interest rates to 2-4%, direct \$400 billion into the productive sectors of the U.S. industrial and agricultural economy, reorganize or cancel the debt of vital domestic producers, impose an import tariff of \$15 per barrel on oil, repudiate the International Monetary Fund, renegotiate outstanding debts with our trading partners, and provide new credits for investment to expand the export markets of the nation. These measures, taken together, will stimulate an immediate economic turnaround in the real tangible-wealth producing sectors of the U.S. economy, leading to an expanded tax base to meet the nation's security needs.

If Reagan needed any more incentive than the sheer necessity that is bearing down on him now, he would be comforted to know that Abraham Lincoln would look with great pleasure upon such a package of reforms.