

Eye on Washington by Nicholas F. Benton

Speakes urges press to read *EIR*

In the midst of an intense factional struggle within the Reagan administration, between those committed to cleaning out those responsible for the Iran/Contra scandal and those who want to simply cover it over, White House press spokesman Larry Speakes on Jan. 6 advised the entire White House press corps, ABC loudmouth Sam Donaldson included, to read *Executive Intelligence Review* for the truth on the subject.

His statement came in the context of a situation in which political organizers promoting *EIR* organize almost daily in front of the White House, with signs calling for the resignation of White House Chief of Staff Don Regan, in particular. *EIR*'s exposés of the Justice Department's role in covering up the gun-running activities of the late Iranian arms merchant Cyrus Hashemi, have received wide circulation.

Speakes was giving the regular noon press briefing at the White House. I asked him, "What comment do you have, Larry, on the fact that it has at last broken into the so-called major press—the *New York Times*, the *Washington Post*, and *Baltimore Sun* in greatest detail—today that the Carter administration had approved illegal arms shipments to Iran in 1980, when 44 U.S. hostages were being held?"

Speakes replied, "Interesting! That it would now show up those other papers. It has been alluded to, but not in

minute detail."

I responded, "Some of us have reported on it extensively for many years."

Speakes replied, "That's right. Better read Nick's publication!"

Administration fumbles on budget

The Reagan budget proposal was released for the 1988 fiscal year on Jan. 5. The \$1.024 trillion monstrosity is so riddled with lies, false assumptions, and murderous implications that even the administration's top economic spokesmen were exposed as evasive liars, during a series of major press briefings held around town to lay out different components of the budget.

Three cases, that had most all of the press shaking their heads, stood out:

'What protectionism?'

Treasury Secretary James Baker III introduced the budget by giving a rosy economic picture for this year, and warned against "raising the flag of protectionism" to overcome the record trade deficit, which is the key to the projected economic growth for 1987.

He was asked how this squared with the fact that the United States had just taken protectionist measures against its European allies.

Baker replied that the moves to place prohibitive duties on \$400 million in European Community goods were "not protectionism."

Debt crisis ignored

Office of Management and Budget Director James Miller also painted a glowing picture of future economic growth based on the lying assertion in the budget that it reduces the deficit to \$108 billion, within Gramm-Rudman

guidelines. He noted that one new source of revenue of the government would be the selling of both old and new debt.

I asked him about the catastrophic debt and banking situation, with 145 failures in 1986, and the shift from industry to a "service-oriented economy."

Miller categorically refused to answer the question. "That's not a question. That's a thesis topic," he said. "It would take too long, I can't answer it here."

AIDS? 'No comment!'

Assistant Secretary for Health and Human Services S. Anthony McCann delivered a statement by HHS Secretary Otis Bowen, who was out of town. HHS has the largest budget, almost \$400 billion, of any agency of the government, half of which is Social Security.

In its proposed budget for FY88, the administration proposed a paltry \$118 million increase in funding for AIDS research, and proposed to cut \$7 billion from Medicare and \$1.6 billion from Medicaid.

When I asked McCann how the small increase in the AIDS figure was arrived at, "given that by 1991 as many people will be dying annually in the United States from AIDS as died in the entire Vietnam war, and given that there are 4 million infectious people walking around right now," McCann, instead of answering the question, demanded to know who I was.

Later, I asked him if he could state categorically that the cost-saving method used to cut Medicare expenses (called "prospective pay") does not reduce the quality of care to Medicare patients. Rather than try to defend the murderous policy, he simply blurted out, "I am not a physician, so I am not qualified to answer that question."