

U.S. budget sequester betrays policy vacuum

by Nicholas F. Benton

"Is Government Dead?" asked the headline blaring across the cover of *Time* magazine, the largest circulation U.S. newsweekly. "Unwilling To Lead, Politicians Are Letting America Slip Into Paralysis," *Time's* commentary continued. The broadside by *Time* was only one of many similar blasts at the Bush administration and Congress this month, indicating that the honeymoon period between the national media and the new administration has come to an abrupt end.

The Oct. 3 Panama fiasco might have been a turning point, especially with the evidence that the Bush administration deliberately misguided the press about the role of the U.S. military in the aborted coup attempt.

But if ever there was a case of representative government abdicating its responsibility to govern, it came with the triggering of the automatic sequester provision of the insane Gramm-Rudman-Hollings deficit reduction law on Oct. 16.

The law, co-sponsored by Senators Phil Gramm (R-Tex.), Warren Rudman (R-N.H.) and Ernest Hollings (D-S.C.), passed in 1987 as a revolutionary method to force the federal government to systematically reduce the federal budget deficit down to zero by sometime in the 1990s.

Under the terms of the law, the Senate and the House, fail to agree on a budget with a combination of cuts and new revenue sources sufficient to meet each year's successive deficit reduction target, and if the President fails to agree to this with his own signature, then a pre-arranged formula programmed into the computers at the Office of Management and Budget takes control out of human hands, and dictates evenly distributed, across-the-board cuts throughout the budget.

The law set the size of deficit targets for each successive year, aimed at shrinking them to zero by the mid-1990s, and it set out a series of annual deadlines forewarning Congress and the President about how far their first attempts at budget compromises were from meeting the target. Everyone, under the law, has about nine months from the time the President first submits a budget to Congress in mid-January to come up with a final product that meets the stringent Gramm-Rudman-Hollings guidelines by mid-October.

There is what is called "wobble room" in the law, as well. Technically, the "automatic sequester" trigger mechanism is tripped at the beginning of the new fiscal year on Oct. 1, but that does not actually get ordered into effect until two weeks later. Also, there is a \$10 billion "buffer zone" above the annual deficit reduction target. For example, the target for the Fiscal Year 1990 (FY90) budget was a deficit of \$100 billion. That means that if a budget of \$110 billion was passed by the deadline, there would be no sequester.

This year has seen the worst forfeiture of government responsibility by Congress and the administration in the memory of many longtime Washington observers, resulting in the full implementation of "government by computer" on Oct. 16.

Worse, leaders on both ends of Pennsylvania Avenue—in the White House on one end and Congress on the other end—are commenting now that the best course of action will be to allow the computer-designated budget cuts to remain in place permanently. The decadent Roman Emperor Caligula set a precedent for this kind of government when he designated his favorite horse as his successor.

Any efforts to supersede the automatic sequester with ongoing negotiations aimed at a man-made budget are fruitless, they claim. "At least the Gramm-Rudman-Hollings cuts are real," quipped Richard Darman, the White House's director of the Office of Management and Budget, on a nationally televised interview program Oct. 14.

What the cuts will do

In reality, the Gramm-Rudman-Hollings cuts, as they are distributed under the automatic sequester, do more to devastate U.S. national security, public welfare, and infrastructure than anything short of a small thermonuclear war.

The sequester takes \$16.1 billion out of the budget, half from the domestic sections of the budget and half from defense. It can touch only the so-called "discretionary spending" segments of the overall \$1 trillion budget, which amounts to about \$280 billion. Pre-committed programs, such as Social Security payments to the elderly (for now), already-signed military procurement contracts and payments on the government debt (fast closing in on \$3 trillion), must, under the law, be exempted from cuts and paid in full.

This leaves, on the domestic side, about \$140 million in cuts that will come from Medicare reimbursements to hospitals and doctors (thus denying medical care to the elderly), the Drug Enforcement Administration (thus undermining the much-publicized "war on drugs"), the Federal Aviation Administration (at a point when citizens are rightfully increasingly jittery about air travel safety), and other vital domestic programs.

On the military side, about \$140 million in cuts must come from personnel salaries and discretionary programs such as research and development—namely, the entire modernization effort of the U.S. military, ranging from the MX and Midgetman missile programs to the Strategic Defense Initiative.

Military under the hatchet

Under the law, the President has the prerogative to exempt military salaries from the cuts, but according to the White House, President Bush will not do this. As a result, as many as 120,000 military employees—civilians and men in uniform—could be laid off if the current sequestration order remains in effect.

That's twice the number of men that the U.S. lost in combat in the entire Vietnam War.

The Pentagon's comptroller ordered the various branches of the U.S. military to have their draft plans for absorbing a \$15 billion cut in the defense budget ready by Oct. 20.

The extraordinary natural disasters that have struck both coasts of the continental U.S. in September and October have underscored the strain on the nation caused by such unnatural budget cuts. The federal government's entire disaster relief contingency fund of \$1.1 billion was depleted to respond to the devastation caused by Hurricane Hugo in the U.S. Virgin

Islands, Puerto Rico, and South Carolina in September.

But then, when the deadly earthquake hit the San Francisco Bay area in California Oct. 17, resulting in almost 300 deaths and tens of billions of dollars in damage, the federal government had only \$270 million in funds, which had been sent to help the hurricane victims, but which had not yet been spent.

Suddenly, the hurricane victims were cut off, and the \$270 million redirected to San Francisco, even though White House spokesmen admitted that far more than \$1.1 billion would be required to rescue the San Francisco area.

Hurricanes and earthquakes, like the AIDS pandemic, only draw attention to the frailty of the nation's public infrastructure due to the lack of attention Washington has been paying to it in its fixation on so-called "deficit reduction."

Chiseling the elderly

Another casualty of the process is the nation's elderly, who are being increasingly deprived of medical treatment by the repeated decisions of government to trim spending on Medicare insurance, and to restrict and delay reimbursement payments to hospitals and doctors for treatment.

The case of the nation's 37 million elderly is exemplary of what is happening to all Americans: They are politically disenfranchised through the budget deficit reduction process. Democrats and Republicans alike support chiseling the elderly to lower the deficit, even though everyone knows that most of the statistics on the deficit are phony, the product of proverbial "smoke and mirrors," to begin with. In one serious slap at Darman on ABC television Oct. 15, columnist George Will remarked that private citizens would go to jail for fraud if they tried to "cook the books" the way government in Washington does in order to try to lower the deficit.

The Republican Party-controlled White House and the Democratic Party-controlled Congress remain at an impasse, not in a policy debate over the well-being of the nation, but in a Washington power struggle. On the Republican side, it is expressed in Bush's "no new taxes" pledge; on the Democratic side, it is expressed in the effort to force Bush to crack on the tax issue. For the American public, their interests are served by neither.

But it is as if these postures have become transmuted into stone, creating a paralyzed government that leaves a computer to carry out the bloodletting they have decided to accept.

The ascent of such ideological posturing over real government was epitomized by the snide reaction of White House spokesman Marlin Fitzwater to a question from a reporter the day after the San Francisco earthquake. Asked how much of the \$270 million of remaining federal disaster relief funds would be lost to the Gramm-Rudman-Hollings sequester, Fitzwater snapped, "Is this the tax question?" He implied that the question was just a veiled attack on the President's "no new taxes" policy.