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Bogusing the Budget

In a classic use of budgetary smoke and mirrors, President Bush presented Congress with his proposed \$2.9 trillion federal budget this week, claiming that it reduces the deficit and is on track to be balanced in five years. Aside from the easy claim that it is projected to be balanced three years after the President leaves office, there is a \$245 billion gorilla sitting off-budget called war that doesn't enter into his deficit calculations. In fact, including the current request for \$245 billion to cover the next year and a half of costs for the wars in Iraq and Afghanistan, to total cost of the wars will hit \$662 billion dollars, all off-budget, all adding to the \$8.7 trillion national debt, a debt so large that it take over 40 percent of the nation's personal income tax revenue to pay the annual interest.

So what is the President's formula for balancing the partial budget (yes, partial, because throwing in the cost of war really messes up his plan)? He proposes to make permanent the tax cuts, cut billions from Medicare, Medicaid, and education, and to increase the non-war Pentagon budget by 11% to a half a trillion dollars (that is larger than the GDP of all but 14 nations in the world).

President Bush has increased the national debt by nearly \$3 trillion since taking office, when he inherited a budget surplus from President Clinton. Consider that the Iraq war will cost \$1.2 - 2 trillion and the Bush tax cuts will cost us an estimated \$2.4 trillion over ten years and it becomes clearly apparent how this Administration blew through \$3 trillion in debt.

And it will be worse in the coming years. Despite the President's rosy projections of the future economic health of the US, it is unlikely he is accounting for the projected \$662 billion the Veterans Administration is expected to bear in the coming years to provide healthcare benefits to soldiers returning from Iraq.

I seem to remember that the Democrats won the election in 2006, where voters repudiated the war and embraced Democrats who proposed improving healthcare access and wanted to ensure that we don't leave our war veterans behind without the care they need. I guess the President was on vacation then and missed the memo.

Posted by Alan Rosenblatt on February 6, 2007 10:03 AM | [Permalink](#)

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