

# Carter's Budget Unveiled

Jimmy Carter's revised budget, which he sent to Congress Monday, proposes 20 percent across-the-board cuts in fusion research programs and a drastic scaling back of expenditures for the key fast breeder reactor fission program. This confirms New Solidarity International Press Service predictions of Feb. 18, made before the budget was released.

On top of all but eliminating nuclear energy research and development, Carter's budget calls for crippling reductions in water and dam projects, education and health care. In addition, Carter's meager .4 percent reduction in proposed defense spending — actually an 11.4 percent increase from this fiscal year's outlay — has already heightened tensions between the U.S. and the Soviet Union. The day after the budget was released, Soviet Defense Minister Ustinov criticized Carter's "higher than ever" proposed military spending and warned of the "permanent military threat stemming from the hostile circles of the imperialist states."

The general thrust of Carter's revised budget, an amended version of the budget proposed last month by former President Ford, is to propose elimination of all "long-term investments" in technological development. Not only nuclear but all high-technology energy development has been drastically curtailed. What are called "soft energies" — solar power conversion, wind power, "biomass conversion" (the wood stove), etc. — are earmarked for greatly increased funding in this section of the budget, which was drafted by Energy Czar James Schlesinger, the New York Times reports.

Research and development programs, especially those programs attached to the military's advanced weapon systems development, are also slated to receive drastically reduced funding while in no way changing the Carter regime's adherence to Schlesinger's doctrine of thermonuclear bluffing. These cutbacks could quickly bankrupt the entire aerospace industry — the nation's most technologically advanced sector — which currently depends upon military contracts for its research and development programs. The companies particularly affected by the cutbacks include Rockwell International Corp., Boeing Co., McDonnell-Douglas, and the Hughes Aircraft Co.

Carter's attack on high-technology energy and scientific research and development is the sine qua non of his effort to turn this nation into what Laurence Rockefeller calls a "Conservator Society." Carter's budget, in fact, has come close to adopting the entire Rockefeller program spelled out in the "Unfinished Agenda" — a study sponsored by the Rockefeller Brothers Fund which calls for a total phasing out of nuclear and fossil fuel energy production, to be replaced by "conservation" and solar power. Jimmy Carter is expected to round the Rockefeller program out by high energy taxes — another recom-

mendation of the Rockefeller report — at his April 20 address to Congress, where he will announce his "comprehensive, long-range national energy policy."

Carter's entire budgetary package, which is already under attack by Congress, includes many other proposed cutbacks which are specifically designed to erode the technological infrastructure of the economy and the labor-power needed to run it. Particularly high on the list is Carter's proposal to totally eliminate 19 major irrigation projects, a cut which will destroy nearly two million acres of now-irrigated land.

While energy development, agriculture and other key areas (to be announced shortly) get the axe, Carter has proposed that "interest on debt" for the 1978 budget be raised by five percent. Debt service would then rise to \$42 billion annually — a figure which is usefully compared to the slightly more than one billion allotted in the budget for both fission and fusion energy development. The government, forced to drain the money markets of enough money to cover the \$68 billion deficit, will push interest rate out of reach of industrial borrowers, compounding the inflationary spiral into hyperinflation in short order.

As disastrous for economic development as it is, Carter sees his revised budget as being less than he had hoped for. Put together quickly, Carter's message to Congress accompanying his budget revisions called them "essentially still President Ford's budget." "Although it has not been possible in these revisions... future budgets will reflect detailed, zero-based reviews of Federal spending programs," he warned. In the same breath he outlined the need for a "fundamental reorganization of the Government."

The budget taken as a whole is strikingly similar to the Brookings Institution's "model budget" spelled out in its "Changing National Priorities" publication. Carter's revised budget, like its Brookings Institution counterpart, advocates "zero growth," which in practice means a "negative growth" perspective. A detailed description of the most important cutbacks follows:

## Energy

The Carter administration's budget revisions for 1977 proposed drastic cutbacks in nuclear energy. Carter has proposed that \$80 million be cut from President Ford's allocation. This will force a 20 percent across-the-board cutback in fusion research and development.

Carter has also proposed that the liquid-metal fast breeder fission reactor budget be cut \$199 million, which is significantly lower than the level for the current fiscal year.

The President also directed the Energy Research and Development Administration (ERDA) to decide whether the program should continue at all, citing "safety ques-

tions" regarding plutonium and "nuclear proliferation" concerns. Pending the decision of this inquiry, Carter has ordered ERDA to halt construction on the fast breeder reactor demonstration plant being built on the Clinch River in Oak Ridge, Tenn.

The biggest single proposed boost in the Carter energy budget was \$160 million for energy "conservation," double the Ford request. In addition \$2 billion in loan guarantees will be allocated for businesses investing in "energy-saving equipment."

Other monies are earmarked for converting coal to gas for industrial use and expansion of solar energy demonstration projects.

Carter proposed that the 1978 budget authorization request for the nation's oil stockpiling program be boosted to \$3 billion from the Ford proposal of \$1.69 billion "as a cushion against future foreign oil embargoes or other national emergencies." The intention is to store 250 million barrels of oil by December 1978, and a total of 500 million barrels by December 1980.

## Defense

Under Carter's budget, defense spending for fiscal year 1978 would be \$109.7 billion, down about \$400 million (0.4 percent) from the \$110.1 billion Ford proposed spending, but an 11.4 percent increase from this fiscal year's outlays of \$98.3 billion. Besides increased personnel costs, the increased spending is slated for domestic military construction and NATO "force readiness" in Europe.

The Carter administration is proposing large cuts in a number of advanced weapons systems — most of which are contracted out to the aerospace industry. Carter proposes to:

- \* Cut to five from eight the number of Rockwell International Corp. B-1 bombers, reducing the \$2.2 billion initially requested for the Air Force plane by \$280 million.

- \* Delay full-scale development of a new intercontinental ballistic missile, called the MX, until fiscal year 1979 by cutting fiscal 1978 spending on this project to \$134.4 million from \$294.4 million.

- \* Drop Ford Administration plans to purchase 60 new Minuteman III missiles from Boeing Co.

- \* Cut to 78 from 108 the number of McDonnell-Douglas Corp. F15 fighters it will purchase in fiscal 1978, cutting \$334 million from the \$1.8 billion initially proposed.

- \* Deferring for one year the \$277 million requested for six wide-bodied jets to be purchased from either Boeing or McDonnell-Douglas.

- \* Reducing to three from six the number of Boeing AWACS radar planes the Air Force will buy next year, paring the \$528.9 million program by \$150 million.

- \* Halving to \$100 million development funds for the Army's advanced attack helicopter from Hughes Aircraft Co.

In addition, Navy shipbuilding costs are to be reduced

by \$512 million by buying one rather than two nuclear attack submarines next year. This is purportedly in recognition of a "construction backlog" at General Dynamics Corp. and Tenneco, Inc.'s Newport News Shipbuilding and Drydock Corp. unit.

## Water and Dam Projects

Carter's budget proposes the total elimination of 19 major irrigation projects that may be "environmentally or economically unsound or potentially hazardous." At the same time, all 320 projects in the U.S. are declared "under review." The water resources projects cost \$5.1 billion and will save the government \$289 million in the next fiscal year.

## Education

Carter hopes to phase out the \$340 million National Defense Education Student Loan Program and cut \$400 million from the "impact aid" program which goes to school districts with large numbers of federal employees.

## Health Care and Nutrition

The Carter budget will reduce Medicare and Medicaid payments to hospitals by imposing on them a 9 percent ceiling (compared with 15 percent inflation).

Carter also proposes that a special milk program for school children be cut from \$180 million in fiscal year 1977 to \$49.8 million in the year beginning Oct. 1.

## Labor Power

The Carter budget will double the money allocated for "public works" jobs to \$8 billion. Carter also proposes that unemployment compensation benefits be reduced from 65 weeks to 39 weeks effective March 31, 1978. Several Social Security benefits will be eliminated including retroactive lump-sum payments to retirees.

Just about the only groups benefiting from the Carter plan are the monetarist bankers and their "environmentalists." The Carter budget will put Ralph Nader and his "environmentalists" directly on the government's payroll. The budget authorizes the government's Nuclear Regulatory Commission to "find qualified public interveners" who will be directly engaged in "the pending rule making proceedings regarding the use of plutonium to fuel nuclear reactors." This will allow the Rockefeller-funded environmentalists to vastly expand their current strategy of preventing the construction of new energy-producing facilities through lengthy, Justice Department and Supreme Court-sanctioned legal actions.