

**NAPAWF OPPOSES THE 2005 BUSH BUDGET –  
Asian and Pacific Islander American Women and Families Hurt By Cuts**

CALL YOUR CONGRESSPERSON – **“NO BUDGET CUTS, NO MORE TAX CUTS!”**

By Lora Jo Foo  
February 27, 2004

In early February, President Bush released his \$2.4 trillion dollar budget for fiscal year 2005 with projected deficits of \$521 billion for FY2004 and \$364 billion for FY 2005. This budget does not even include military expenditures for Iraq and Afghanistan. These are the biggest deficits the country has seen since the 1950's. Bush blames the skyrocketing of the deficit on a vast increase in discretionary domestic spending<sup>1</sup> which he proposes to bring under control by eliminating 65 federal programs, making cuts in 63 others and limit growth in the remaining programs to 0.5%. There will be cuts in education, housing, health, transportation, and law enforcement. Asian and Pacific Islander American women and families will be hurt by the cuts in programs such as<sup>2</sup>:

- Temporary Assistance to Needy Families (TANF) that assists the poorest families with children will be cut.
- Child Care and Development Block Grants that help low-income families get the childcare they need to keep a job.
- Head Start even though the program only reaches 3 out of five eligible preschoolers.
- Vocational educational programs.
- Housing vouchers funds, leaving low-income seniors, the disabled and households headed by women without vouchers.
- Domestic violence funding for shelters and crisis hotline services.
- Prison Rape and Prevention program (cut by 78%).
- Pell Grants and Perkins loans.

But Bush misleads us about the cause of the deficit. The discretionary domestic programs Bush seeks to cut or restrain account for only 17 percent of the total federal budget. Such spending is at "a lower level than in any year from 1975 through 1996," according to the Congressional Budget Office. And even if Congress agrees to eliminate or cut funding for 128 federal programs, the savings will be minuscule, at just \$4.9 billion – a rounding error in a \$2.4 trillion million budget and an amount that would pay less than six days' interest on the national debt.<sup>3</sup>

Clearly the solution is not domestic spending cuts. What then is the cause of the deficit? The CBO states that the single biggest cause of the deficit is the president's massive tax cuts for the wealthy – 36% of the deficit comes from the tax cuts, while 31% comes from defense/war-related spending increases, and the rest comes from the economic slowdown.<sup>4</sup> Other economists

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<sup>1</sup> Discretionary spending does not include Social Security, Medicare or Medicaid. These are entitlement programs and thus mandatory.

<sup>2</sup> From President's Budget is Bad News for America and for Women, National Women's Law Center E-Update, February 10, 2004

<sup>3</sup> Time for Bush to watch his words, George F. Will, San Francisco Chronicle, February 9, 2004

<sup>4</sup> BUSH MISLEADS PUBLIC ABOUT CAUSE OF DEFICIT, THE DAILY MIS-LEAD, 3 February 2004

estimate that 45% of the deficit comes from Bush's tax cuts of 2001 and 2003.<sup>5</sup> The combined loss to the federal treasury of these cuts is \$1.7 trillion over ten years and it will go higher if Congress adopts Bush's 2005 tax cut proposals.

In other words, having starved the federal government of funds by giving tax cuts to the wealthy, Bush now wants to cut essential programs for the working poor and middle class to close the deficit gap. Not only will our children get a worse education, homelessness and hunger increase, our highways and other infrastructure deteriorate and more libraries and parks close, the working poor and middle class will be saddled with paying for the national debt. The federal government's gross debt - the accumulation of its annual deficits - was about \$7 trillion last September. That means a burden of about \$24,000 for every man, woman and child in this country. When we include Social Security and Medicare commitments when the baby boomers retire, the burden for every American rises to well over \$100,000.<sup>6</sup>

Since tax cuts are the biggest cause of the deficit, we must oppose Bush's proposal to make the 2001 and 2003 tax cuts permanent and any calls for new tax cuts. We must call for the repeal of the most unfair parts of the tax cuts. Bush's rationale for tax cuts to the wealthy is bogus like his blaming the federal deficit on domestic spending. Bush claimed that his 2001 and 2003 tax cuts would stimulate the economy and create jobs. In fact, since the 2001 tax cuts, the economy has lost 2.5 million jobs.<sup>7</sup> The main beneficiaries of tax cuts have been millionaires who got 44% of the tax cuts. 53% of U.S. households got \$100 in tax cuts in 2003 and 36% got no cuts at all. Repeal of tax cuts for the wealthy will ensure that funding federal programs for the poor and middle class will not only be safe from cuts but increase to levels needed to fully provide essential services.

As Asian American activists and advocates we have fought budget cuts in the past. We fought to fend off program cuts from an ever-shrinking pie. Now with the massive tax cuts, there isn't even a pie to share. It is time we took a stand against the budget AND tax cuts. Call your Senator and Representative today and tell them "NO BUDGET CUTS, NO MORE TAX CUTS!"

For all Senators/Members: Capitol Switchboard – 202-224-3121

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<sup>5</sup> Bush's bogus budget, Paul Krugman, San Francisco Chronicle, February 4, 2004

<sup>6</sup> The Debt No One Wants to Talk About, David M. Walker, OP-ED Contributor, New York Times, 2/4/04

<sup>7</sup> Bush, in Budget, Seeks Increases Tied to Security, Richard W. Stevenson, New York Times, 2/3/04