

# Obama's health care speech and the lies of the Nation

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The *Nation* magazine, the voice of what passes for “left” liberalism in the United States, has responded to president Obama's speech on health care with a mixture of lies and gross exaggeration.

The magazine's initial reaction to Wednesday's speech before the joint session of Congress was provided by its editor, Katrina vanden Heuvel, in an article posted online the next day (“Obama Shows His Progressive Spine”).

The fervor of vanden Heuvel's rhetoric stands in direct contradiction to the article's actual analytical content. Obama's address was “plain-spoken, at times tough, and masterful,” she writes. His calls for “sweeping action” were accompanied by a “biblical subtext” to end partisan bickering. His “invocation of history was powerful... great symbolism and great politics... In invoking the great reform presidents—Roosevelt and Johnson—and the battles they waged against reactionary lobbies in fighting for universal health care, Obama placed himself in the American pantheon.”

In this work of contemporary hagiography, vanden Heuvel feels no compunction to note that today's “reactionary lobbies”—including the drug companies and the insurance industry—support the basic elements of the proposed reform. The insurance companies stand to make a windfall from the proposed mandate on individuals to purchase private insurance.

Vanden Heuvel completely ignores the central theme expounded by Obama—the need to cut health care costs, which he said were becoming too much of a burden on corporations and the government. (The word “cost” shows up 19 times in Obama's speech, and not once in vanden Heuvel's response). “Our health care problem is our deficit problem,” Obama insisted. “There will be a provision in this plan that requires us to come forward with more spending cuts if the savings we promised don't materialize.”

Vanden Heuvel skims over this core pledge to cut costs with a single sentence. “There was much pragmatic talk—of security and stability and bending the curve and deficit neutrality and finding savings within existing Medicare system,” she writes. Dismissing this promise as a bit of flat rhetoric, she continues: “But it was when Obama spoke of Senator Kennedy and the larger moral imperative of healthcare reform that this became a great speech. One for the history books, in fact... In many ways, it was Obama's fullest, most eloquent and formal defense of liberalism and the clearest exposition of his view of government's role.”

This attempt to present the reactionary proposals of the American financial aristocracy to cut health care spending as a historic restatement of the government's commitment to “social justice” is simply a lie.

In the face of such distortions, it is necessary to restate the basic content of the proposed reforms: A market of private insurers will be set up to offer substandard health plans. Individuals will be required to buy insurance and potentially will be fined thousands of dollars if they do not, thus providing a massive boondoggle for the insurance companies. Employers will find it easier to ditch employer-provided health coverage, thus boosting corporate profits. At the same time, the ultimate aim is to phase out or cut government spending on entitlement programs (particularly Medicare, which, under the pretext of eliminating “waste” and “inefficiencies,” will be subject to immediate cuts).

In order to sell the proposals as somehow “progressive,” the *Nation* and other publications have encouraged Obama to maintain his commitment to a “public option,” a government insurance plan to compete with private providers. In an article posted on the day of the speech, vanden Heuvel said that the public option was critical. “He must explain in clear and simple language that the alternative—a ‘trigger’—is a trap to kill healthcare

reform; and that even if ‘trigger’ conditions are met years from now, big insurance companies will start the fight all over again to stop the public option from going into effect.”

As was expected, Obama ignored this advice. He first insisted that the option would not in fact be a threat to the profit interests of insurers, as only a small minority of the population would even be eligible to get insurance through it. Nevertheless, he gave clear indication that he was willing to drop it in the end. “Rather than making wild claims about a government takeover of health care,” he said, “we should work together to address any legitimate concerns [Republicans] may have.” He added that he was open to co-ops and the “trigger” proposal.

Vanden Heuvel responded to this repudiation of what she herself declared to be “an essential component of genuine and effective healthcare reform” with a meek complaint that this section of the speech “did not fully satisfy.” She acknowledged, “The insurance exchange idea confused more than it clarified in explaining the role of the public option. Why will it take four years? Essentially, it’s a compromise because Congress doesn’t have the guts to raise money to do it more quickly. There may be some benefits up front, but there are still more questions than answers.”

She concludes her article by stating that the speech “was not the full-fledged antidote to Reagan’s decades of government-is-the-problem conservative narrative. Yet Obama spoke eloquently of a new and progressive role for government. We must build on it.”

This is all simply a fraud. The confusion and lack of clarity regarding the proposals is due to the fact that the administration is attempting to cloak its real purpose—cutting health care spending for government and business—in the guise of social reform. Outfits such as *The Nation* play a critical and conscious role in aiding and abetting this deception.

The social and political milieu for which the *Nation* speaks is a self-contented, wealthy layer that fully backs the right-wing policies of the Obama administration. They recognize that this policy is leading to disillusionment. Their greatest worry is that political opposition will develop from the left, and they see it as their task to prevent this from happening.

In a companion editorial posted on the *Nation*’s web site Thursday, the magazine warns, “The great hope that swelled with Barack Obama’s election is in danger of curdling into disappointment and anger. Too many outrages have accumulated without convincing responses

from the government.” It urges the administration to take a somewhat sharper rhetorical line in relationship to executive compensation, noting that CEOs at bailed-out banks have pulled in billions of dollars. If Obama does this, the population will “rally to his side,” the magazine predicts.

In fact, giant banks and bankers are doing better than ever one year after an economic crisis of their own making. They have seized on the crisis to attack the working class, drive down wages and benefits, destroy jobs, and increase exploitation by every means possible.

It is not that the Obama administration has failed to provide a “convincing response,” as claimed by the *Nation*. Rather, the government has actively encouraged this process, making available trillions of dollars to the banks while explicitly rejecting caps on executive compensation.

At the same time, the administration has insisted that workers pay, including by giving up their health care benefits. This was the central demand made by the government as it forced through the bankruptcy of General Motors and Chrysler. The attack on auto workers was a spearhead for measures intended for the entire working class. At the same time, Obama has refused to bail out state and local governments, forcing drastic cuts in social services across the country.

Linked to its domestic policy, the administration is carrying out a major escalation of the war in Afghanistan and Pakistan and is responsible for the deaths of thousands of people.

There is nothing remotely “left” or “progressive” about the Obama administration. It is a right-wing government of the financial aristocracy. The proposed reform of health care is not an exception to the rest of its agenda, but a critical component of it.



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