

Obama appoints panel to slash social programs

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President Barack Obama's establishment by executive order of a bipartisan commission on deficits on Thursday is the latest step in his administration's attack on health care and retirement programs upon which millions of Americans depend.

The 18-member panel will propose measures to slash government spending on Medicare, Medicaid and Social Security. It will also consider a series of regressive taxes, including a consumption or value added tax, to force the working class to pay for the budget deficit. Its aim, according to the White House, will be to reduce the deficit from its current level of over 10 percent of gross domestic product to 3 percent by 2015.

Speaking on Thursday, Obama repeated a theme that has been a constant refrain of his administration—that partisan divisions between Democrats and Republicans are blocking the implementation of policies deemed necessary by the financial and corporate elite. “For far too long, Washington has avoided the tough choices necessary to solve our fiscal crisis,” he said. “Everything is on the table,” he added.

Obama's selection of the panel chairs—Republican Alan Simpson and Democrat Erskine Bowles—is an indication of the far-reaching attack that is being prepared.

As a senator from Wyoming between 1979 and 1997, Simpson served as the top Republican on the Senate Finance Committee's Subcommittee on Social Security. He was among the most fervent advocates of cutting Social Security benefits by reducing their annual growth rate. His position was often to the right of Reagan administration, which he criticized for not moving quickly enough to cut social programs.

In an interview with the *Washington Post* on

Tuesday, Simpson made clear his opposition to the very idea that retired workers should have guaranteed pension benefits. “How did we get to a point in America where you get to a certain age in life, regardless of net worth or income, and you're ‘entitled’? The word itself is killing us.”

As chief of staff under Bill Clinton in 1997-1998, Erskine Bowles was involved in discussions between the White House and the Republican congressional leadership—particularly House Speaker Newt Gingrich—on budgetary issues. Toward the end of Clinton's presidency, Bowles reportedly reached agreement with Gingrich on plans to partially privatize Social Security and increase the retirement age. These proposals were not implemented at the time, and Bowles left the White House declaring that the most important unresolved problem was “dealing with the long-term problems of Medicare and Social Security.”

Obama's choice of Bowles is a deliberate affront to popular anger over bank bonuses. Bowles sits on the compensation committee of the board of directors of Morgan Stanley, one of the top Wall Street investment banks and a recipient of government bailout cash. Morgan Stanley recently paid out billions of dollars in 2009 bonuses to its top traders and executives.

The establishment of the commission further exposes what has been the central aim of Obama's health care overhaul from the beginning—the imposition of major cuts in government spending through the reduction of health care services for tens of millions of Americans.

The Obama administration has been called on to carry out long-standing aims of the American ruling class. The economic crisis that erupted in September 2008 was seized on as an opportunity to implement an agenda of slashing so-called entitlement programs as part of a vast redistribution of wealth from working

people to the financial elite. The coffers of the state have been opened for looting by the banks, to be paid for through the gutting of social programs.

In the run-up to the 2008 election, particularly after the eruption of the financial crisis in September of that year, a consensus emerged within the ruling class that Obama would be better able than his Republican opponent, John McCain, to implement major attacks on the working class. Well aware of popular hatred for Bush and a general discrediting of the Republicans, leading factions of the financial and corporate elite calculated that a Democrat and the first African-American president would be able to exploit popular illusions to politically disorient and disarm the population.

Obama, moreover, could count on various middle-class “left” organizations, which campaigned for his election largely on the basis of identity politics, to continue to promote him as a “progressive” proponent of social reform. It has not taken long for the cynicism of this operation to be exposed.

As part of his ever more open march to the right, Obama has expanded his calls for bipartisan compromise, a refrain of his administration from the outset. His incessant appeals for Republican support in the aftermath of the Democratic debacle in January’s Massachusetts Senate election reflect the ruling class consensus that the class-war measures being prepared can best be implemented by establishing a political framework based on the unity of major sections of the two big business parties.

In seeking Republican support, Obama has chided the opposition party for placing short-term political calculations over the need for united action to carry out “tough” policies.

The 2008 elections have been exposed as a complete fraud. Running on slogans of “hope” and “change,” and appealing to popular hatred of the Bush administration, Obama came to power to continue and expand the right-wing policies of his predecessor. The experience of the Obama administration has underscored the impossibility of defending the interests of working people and effecting any positive change within the framework of the two-party system.

The capitalist crisis that erupted in 2008 is far from over. Despite talk of a recovery, the restructuring of class relations has only begun, in the United States and

internationally. The continuation of the capitalist system—the domination of the financial and corporate elite over all aspects of social and political life—means endless war and continual attacks on the working class, including on social programs once considered untouchable.

Popular opposition—outside of and directed against the existing political framework—is not only necessary, it is inevitable. The critical question is the development of socialist consciousness and the construction of a revolutionary leadership capable of uniting the working class and establishing its political independence from all sections of the ruling elite. The Socialist Equality Party and the *World Socialist Web Site* urge all workers and young people who agree with the need for a socialist alternative to register to attend the Emergency Conference on the Social Crisis & War, to be held in Ann Arbor, Michigan, April 17-18. For more information, click here.

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