

Obama campaigns for austerity

Jerry White
19 April 2011

President Obama is on a campaign-style tour to promote his plan to slash trillions of dollars in social spending over the next decade. After a stop in northern Virginia today, Obama will speak at events in California and Nevada, including a “Shared Responsibility and Shared Prosperity” town hall meeting on Wednesday at the San Francisco-area headquarters of Facebook.

The trip follows the agreement reached with congressional Republicans earlier this month to slash \$38.5 billion from the fiscal 2011 budget, which the White House boasted was the “largest one-year reduction in discretionary spending in US history.” This was followed by the president’s April 13 speech outlining his plan to cut \$4 trillion from the federal deficit over the next 12 years.

The tour is designed to promote the myth that there is a groundswell of popular support for deficit reduction, when what really concerns tens of millions of Americans is the lack of jobs, rising gas and food prices, and the attack on public education, health care and other vital social programs in virtually every state and city.

In a cynical effort to bolster the president’s lagging poll numbers and boost his prospects for reelection next year, the White House is presenting its draconian cuts as a reasonable and “humane” alternative to the proposal by the House Republicans to slash \$4 trillion from the deficit by wiping out Medicare and Medicaid and gutting food stamps and other longstanding social programs. “While I think their goal is worthy,” Obama said in his weekend address, “I believe their vision is wrong for America.”

Unlike the Republicans, Obama told an audience in Chicago last week, the Democrats believe “fiscal discipline” and “living within our means” is compatible with the “idea that we’re all in this together, that we look out for one another; that I am my brother’s keeper...”

Acknowledging the anger over his rightwing policies, he continued, “I know there are times where some of you have felt frustrated because we’ve had to compromise with the Republicans on some issues.” While he had agreed last December—when the Democrats still

controlled the lame-duck Congress—to extend the Bush-era tax cuts for the wealthiest Americans, this time, he promised, he would not renew them when they expired in 2012.

This lie only shows Obama’s contempt for the intelligence of the American people.

His effort to dress up brutal austerity measures as the defense of senior citizens and the poor against the demands of the Republicans was welcomed by his liberal and pseudo-left supporters. “The 44-minute speech seemed to win over at least some leading liberal figures,” the *New York Times* reported, “a big first step toward shoring up and energizing his party’s base at the outset of a re-election campaign that will inevitably require him to play to the middle and, potentially, draw renewed ire from the left.”

“Undoubtedly, he rediscovered his voice,” said Robert Reich, the former Clinton labor secretary and current professor of public policy at the University of California, Berkeley. “Hopefully, this will be his campaign voice.”

“It was a strong speech; it was a principled speech,” Thea Lee, the chief economist of the AFL-CIO, told the *Times*.

In fact, the president’s budget would impose untold suffering on tens of millions of seniors, low-income families and young people who are already being devastated by the worst economic crisis since the Great Depression. Among other things, Obama’s fiscal year 2012 budget proposal cuts billions from public transportation, infrastructure, federal pensions, housing, Pell grants and aid to states and cities that are already slashing their budgets.

The budget also obtains cost savings by getting rid of “excessive and unnecessary Medicare cost growth” and rewards states for streamlining Medicaid. It continues the attack on public education and teachers and establishes a trigger for across-the-board cuts if the federal budget deficit does not hit a targeted debt-to-GDP ratio by 2014.

Like the Republicans, the Democrats, backed by the trade unions, insist that the working class must pay for the

increased government debt caused by the criminal activities of Wall Street and the multitrillion-dollar bailout of the banks. The Democrats are using the Republican proposals made by House Budget Committee Chairman Paul Ryan as a foil to justify historic cuts in longstanding social programs that would have been politically impossible otherwise.

When the president's bipartisan Deficit Reduction Commission issued its findings in December 2010, its proposals to cut \$4 trillion by raising the retirement age for Social Security and slashing Medicare and Medicaid costs, while extending tax cuts for the wealthy, were deemed too reactionary for Obama to openly embrace. In the aftermath of the Republican proposals, the president is adopting the Deficit Commission's plan as the "moderate" consensus policy.

In an appearance on "Face the Nation" Sunday, Democratic Senator Mark Warner of Virginia suggested that a bipartisan deal to "reform" Social Security was pending. The deal being negotiated by two other Democrats and three Republicans in the Senate would provide a "middle ground" approach falling between White House proposals and proposals from the Republican caucus in the House, he said.

According to the *Wall Street Journal*, "Some lawmakers say fixing Social Security first, even though it's not the most pressing fiscal problem, would send a signal to financial markets that Washington can address the bigger issues."

The official debate between Obama and the Democrats on the one side and the Republicans on the other is little more than a dog-and-pony show to fool the public while the Democratic administration prepares to impose the ruling class agenda of driving the conditions of the working class back to those which existed a hundred years ago.

These devastating attacks will be carried out unless the working class intervenes independently to stop them.

The Socialist Equality Party urges workers to totally reject the entire framework of the so-called budget debate. The claim that "there is no money" for jobs, health care, education, pensions, housing and other social needs is a lie.

America is a country where a tiny layer of modern-day aristocrats flaunts obscene and ever-growing levels of wealth, and where both parties are prepared at the drop of a hat to allocate billions of dollars to launch wars for oil and profits when ordered to do so by the financial elite—as in Iraq, Afghanistan and now Libya.

Even as the Obama administration and the state and local governments are firing teachers, closing libraries and schools and slashing health care and pensions, they are handing the corporations and the wealthy new and bigger tax cuts.

We say: Build a mass popular movement to stop the cuts! Reject all demands for "sacrifice!" Defend all jobs and social benefits!

We urge workers and young people to organize workplace and neighborhood action committees, completely independent of the Democratic Party and the unions, to defend the social rights of the working class, including the right to a decent and secure job, health care, quality public and higher education.

The attempt of the ruling elite to abolish the 20th century and return working people to conditions of poverty and degradation is an unanswerable argument for the abolition of capitalism and establishment of socialism.

The ill-gotten gains of the financial elite must be confiscated in order to provide relief to those who have lost their jobs, been tossed out of their homes or seen their life savings destroyed. Hundreds of billions of dollars must be allocated for public works programs to hire the unemployed at good wages and benefits and rebuild the cities, upgrade the public schools, and expand access to health care, housing, recreation and culture.

To fight for this program, the working class must make a decisive break with the Obama administration and the Democratic Party and build a mass political movement to fight for the socialist reorganization of economic life in the interests of the people, not the plutocrats. That is what the Socialist Equality Party is fighting for.

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